

CITY OF MORRIS, ILLINOIS
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDING
APRIL 30, 2024



CITY OF MORRIS, ILLINOIS

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For the Year Ended April 30, 2024**

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INDEPENDENT AUDITORS' REPORT



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council
City of Morris, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of April 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Morris, Illinois, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Morris, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension data schedules, OPEB, and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Morris, Illinois' basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Supplemental Information

Management is responsible for the supplemental information included in the annual report. The supplemental information is comprised of the schedule of assessed valuations, tax rates, tax extensions, and tax collections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the supplemental information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited City of Morris, Illinois' April 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 20, 2023. The summarized comparative information presented herein as of and for the year ended April 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024 on our consideration of the City of Morris, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Morris, Illinois' internal control over financial reporting and compliance.

Mack & Associates, P.C.

Mack & Associates, P. C.
Certified Public Accountants

Morris, Illinois
November 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2024

This narrative overview and analysis of the financial activities of the City of Morris, Illinois (the "City"), is intended to provide an overview of the City's financial performance as a whole for the fiscal year ended April 30, 2024. Readers are encouraged to consider the information presented here in conjunction with the additional information found in the financial statements and notes to financial statements to enhance their understanding of the City's overall financial performance.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,206,261 (net position). The City has an unrestricted net position deficit of \$4,781,688 at April 30, 2024.
- The City's total net position decreased by \$2,156,322 (2.9%) for the fiscal year ended April 30, 2024. Of this amount, the governmental net position decreased by \$8,940,136 (-37.9%) and the business-type net position increased by \$6,783,814 (13.7%). The governmental-type net position decreased primarily due to increased estimate of landfill closure liabilities in the current year. The business-type net position increased primarily due to a increase in water and sewer fees from prior year and an increase in infrastructure fees received.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,097,397, an decrease of \$1,115,976 (-5.6%) in comparison with the prior fiscal year. Approximately 42% of the total fund balance, \$8,364,774, was unassigned and available for spending at the City's discretion.
- The City's total long-term debt increased by \$1,984,689 during the current fiscal year due to additional line of credit draws and additional capital leases.

Using This Annual Report

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial statements.

Government-wide Financial Statements consist of a Statement of Net Position and a Statement of Activities. These provide information about the activities of the City of Morris, Illinois as a whole and present an overview of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report the City of Morris, Illinois' operations in more detail than the government-wide financial statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's General Fund budget for the year, the City's schedule of changes in the net pension liability and related ratios, schedule of city contributions, schedules of investment returns and schedule of funding progress for the retiree health plan.

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2024

Using This Annual Report – (Continued):

Other Information provides detailed information about the non-major special revenue funds, private purpose and pension trust funds and assessed property tax valuations, rates, extensions and collections.

Reporting the City's Financial Activities

Government-wide Financial Statements

The *government-wide financial* statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents financial information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in the City's net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal years.

The Statement of Net Position and the Statement of Activities report two types of activities:

Governmental activities include public safety, transportation and public service, culture and recreation, general government, and environment. Taxes and intergovernmental revenues finance most of these activities.

Business type activities include the Water and Sewer Operation, the Garbage Disposal, and the Airport Operation. These activities are financed primarily by user charges, which are intended to cover costs of services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with various finance-related legal and accounting requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2024

Reporting the City's Financial Activities – (Continued):

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Tax Increment Financing Fund I, and Marina Tax Increment Financing Fund, which are considered to be major funds. Financial information for the other nine governmental funds is combined into a single, aggregated presentation called non-major governmental funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual statements elsewhere in this report.

Proprietary funds – Proprietary funds are used to account for services and activities for which a fee is charged to customers in exchange for City provided goods or services. Proprietary funds use the “economic resources” measurement focus, which concentrates on how transactions and events have affected the fund's total economic resources. The City maintains one of the three different types of proprietary funds as described below.

Enterprise funds are used to report business-type activities in the government-wide financial statements. The City presents three enterprise funds: Garbage, Water and Sewer, and Airport Funds and all are considered to be major funds.

Fiduciary funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for these funds is much like that used for proprietary funds.

The City maintains pension trust fund. The Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position are included in the basic financial statement section of this report, while the Statement of Changes in Assets and Liabilities for custodial funds is included in the combining and individual fund section of this report.

CITY OF MORRIS, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended April 30, 2024**

Government-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net position for governmental and business type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<u>Assets</u>						
Current and other assets	\$ 30,908,081	31,105,487	10,950,921	6,244,950	41,859,002	37,350,437
Capital assets	27,882,544	27,268,922	46,138,324	41,393,989	74,020,868	68,662,911
Total assets	58,790,625	58,374,409	57,089,245	47,638,939	115,879,870	106,013,348
Deferred Outflows	4,582,147	6,191,640	244,206	288,727	4,826,353	6,480,367
<u>Liabilities</u>						
Current liabilities	954,524	1,281,243	2,575,080	3,352,107	3,529,604	4,633,350
Long-term liabilities	26,041,404	18,283,451	5,146,404	1,747,406	31,187,808	20,030,857
Total liabilities	26,995,928	19,564,694	7,721,484	5,099,513	34,717,412	24,664,207
Deferred inflows	12,782,550	12,466,925	-	-	12,782,550	12,466,925
<u>Net Position</u>						
Net investment in capital assets	27,882,544	27,268,922	38,897,150	35,517,393	66,779,694	62,786,315
Restricted	11,732,623	11,784,387	95,743	134,293	11,828,366	11,918,680
Unrestricted	(16,020,873)	(6,518,879)	10,619,074	7,176,467	(5,401,799)	657,588
Total net position	\$ 23,594,294	32,534,430	49,611,967	42,828,153	73,206,261	75,362,583

Net investment in capital assets – the largest portion (91.2%) of the City’s net position is invested in capital assets (land, infrastructure, buildings, and equipment) less any related outstanding debt. These assets are used to provide services to City residents; consequently, they are not available for future spending. While the City’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position – another portion of net position (16.2%) is restricted and represents resources that are subject to external restrictions by enabling legislation, debt covenants, or other legal requirements on how they may be used.

Unrestricted net position – the remaining balance of (\$4,781,688) is unrestricted.

Much of the \$2,156,322 decrease in net position is attributable to increases in liabilities and new debt being issued in fiscal year 2024.

CITY OF MORRIS, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended April 30, 2024**

Government-wide Financial Analysis – (Continued):

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 762,582	544,729	9,520,741	7,053,987	10,283,323	7,598,716
Operating grants and contributions	464,817	2,749,829	-	-	464,817	2,749,829
Capital grants	152,553	37,016	3,031,117	-	3,183,670	37,016
General revenues:						
Property taxes	8,867,746	8,089,226	-	-	8,867,746	8,089,226
Sales and use taxes	9,131,663	10,022,653	-	-	9,131,663	10,022,653
Other taxes	422,611	466,595	-	-	422,611	466,595
Intergovernmental revenue	3,717,177	3,616,579	-	-	3,717,177	3,616,579
Franchise fees	218,927	232,011	-	-	218,927	232,011
Interest income	961,940	249,717	327,376	59,194	1,289,316	308,911
Other	562,529	312,636	-	-	562,529	312,636
Total revenues	<u>25,262,545</u>	<u>26,320,991</u>	<u>12,879,234</u>	<u>7,113,181</u>	<u>38,141,779</u>	<u>33,434,172</u>
Program expenses:						
General government	6,651,465	6,191,808	-	-	6,651,465	6,191,808
Employee retirement costs	846,856	2,035,524	-	-	846,856	2,035,524
Public safety	5,734,513	4,636,983	-	-	5,734,513	4,636,983
Transportation and public service	4,072,805	5,012,998	-	-	4,072,805	5,012,998
Culture & recreation	1,206,948	1,054,939	-	-	1,206,948	1,054,939
Environment	9,691,960	113,157	-	-	9,691,960	113,157
Community development	3,597,942	3,324,181	-	-	3,597,942	3,324,181
Water and sewer	-	-	6,204,378	5,171,316	6,204,378	5,171,316
Airport Operation	-	-	935,594	908,577	935,594	908,577
Garbage collection and disposal	-	-	1,355,640	1,298,917	1,355,640	1,298,917
Total expenses	<u>31,802,489</u>	<u>22,369,590</u>	<u>8,495,612</u>	<u>7,378,810</u>	<u>40,298,101</u>	<u>29,748,400</u>
Change in net position	(6,539,944)	3,951,401	4,383,622	(265,629)	(2,156,322)	3,685,772
Transfers	(2,400,192)	-	2,400,192	-	-	-
Net position, beginning of year	32,534,430	28,583,029	42,828,153	43,093,782	75,362,583	71,676,811
Net position, end of year	<u>\$ 23,594,294</u>	<u>32,534,430</u>	<u>49,611,967</u>	<u>42,828,153</u>	<u>73,206,261</u>	<u>75,362,583</u>

The City of Morris, Illinois’ change in net position of governmental activities was a decrease of \$8,940,136 during the year.

Revenues for governmental activities was decreased compared to the prior year by \$1,058,446 due to a decrease in operating grants.

Expenses for governmental activities increased by \$9,432,899 over the prior fiscal year. The change is primarily attributable to increased landfill closure expense, as well as additional capital outlay.

Business-type activities increased the City’s net position by \$6,783,814.

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited For the Year Ended April 30, 2024

Government-wide Financial Analysis – (Continued):

The City provides garbage collection and disposal, airport facilities, and water and sewer treatment to all residents. The City's total business-type revenues increased by \$5,766,053 over the prior year. Most of the increase is due to an increase in grant revenue, an increase in water and sewer revenues from prior year as well as infrastructure fees.

Expenses increased by \$1,116,802 from the prior fiscal year. There has been a general increase in expenses in the water and sewer fund as well as the airport fund due to new capital additions.

Individual Major Fund Analysis

Governmental Fund Highlights

As the City of Morris, Illinois completed the year, its governmental funds reported a combined fund balance of \$20,097,397, which is \$1,115,976 less than the \$21,213,373 total fund balance at April 30, 2023. \$8,364,774, or 42%, of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance of \$11,732,623 is restricted, to indicate that it is available for spending with limitations imposed by enabling legislation, creditors, grantors, or regulations of other governments.

General Fund – The General Fund represents the primary operating fund of the City. It accounts for all financial resources, except those to be accounted for in another fund. The General Fund revenues decreased by \$961,559 largely due to decreased grant revenues.

On the expenditure side, the increase over the prior fiscal year was \$801,161. A large portion of the increase can be attributed to general government expenditures.

Tax Increment Financing Fund I – The Tax Increment Financing Fund I represents a specific taxing district funded by local property taxes. Current year revenues show an increase of \$842,867. Revenues increased due to higher property tax collections in the current year and increased interest income.

Expenditures increased \$44,963 from the prior fiscal year due to capital outlay expenditures in the prior year.

Marina Tax Increment Financing Fund – The Marina Tax Increment Financing Fund represents a specific taxing district located in a proposed marina area funded by local property taxes. Due to a lack of current development, the funding is almost exclusively received from the TIF I Fund, as the Marina District is located entirely within that District, and from Water and Sewer. The current year transfer amounted to \$2,300,000.

Expenditures increased by \$490,382 from the prior fiscal year. The increase is primarily due to additional construction costs in the current year.

CITY OF MORRIS, ILLINOIS

Management's Discussion and Analysis - Unaudited
For the Year Ended April 30, 2024

Individual Major Fund Analysis – (Continued):

Proprietary Fund Highlights

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position was \$155,246 for the Garbage Fund, \$7,513,624 for the Water and Sewer Fund, and \$3,570,315 for the Airport Fund. At the end of the fiscal year, the City's proprietary funds reported an increase in net position of \$6,783,814 over the prior year. Of the increase, \$560,518 came from the Water and Sewer Fund, \$6,385,125 came from the Airport Fund, and the Garbage Fund decreased by \$161,829. A discussion of all proprietary funds follows:

Water and Sewer Fund – The Water and Sewer Fund revenues increased by \$2,448,996 due to a increase in water and sewer sales as well as infrastructure fees. Operating expenses increased by \$1,037,324.

Airport Fund – The Airport Fund revenues decreased by \$37,220. Most of this decrease is related to an decrease in fuel sales. Expenses increased \$22,813 from the prior year.

Garbage Fund – Garbage fee income of \$1,380,618 exceeded garbage disposal costs of \$1,355,640 by \$24,978. Customer fees have continued to successfully match or exceed costs. The City continues to monitor and increase fees as required to keep up with the usual contractual increases.

General Fund Budgetary Highlights

The original 2024 fiscal year budget was adopted on April 17, 2023. The comparison of General Fund original budget to the final budget is on pages 66-67 and 108-113. Over the course of the year, the Budget Officer and City Council monitor and amend the budget to take into account unanticipated events that occur during the year. No budget amendments were made to the General Fund during the current fiscal year.

General Fund revenues were \$1,750,240 below budget estimates.

General Fund expenditures were \$1,607,822 under budget estimates mainly due to including anticipated expenditures that did not materialize in capital outlay. Several budget line item transfers were made by the Budget Officer during the year within individual departments.

CITY OF MORRIS, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended April 30, 2024**

Capital Assets and Debt Administration

Capital Assets

The City’s capital assets include land, land improvements, buildings, machinery and equipment, infrastructure and construction in progress. Capital assets for governmental activities totaled \$27,882,544 (net of accumulated depreciation/amortization) at April 30, 2024. Capital assets for business type activities totaled \$46,138,324 (net of accumulated depreciation) at April 30, 2024. See Note 5 to the financial statements for more information about the City’s capital assets.

***Capital Assets at Year-end
Net of Accumulated Depreciation***

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,528,556	6,528,556	8,496,006	5,546,795	15,024,562	12,075,351
Construction in Progress	1,236,851	1,182,412	-	4,580,994	1,236,851	5,763,406
Land Improvements	2,780,799	1,764,179	1,459	4,376	2,782,258	1,768,555
Buildings & Improvements	7,742,108	7,966,888	1,382,441	1,413,922	9,124,549	9,380,810
Machinery & Equipment	1,541,872	1,110,372	849,174	813,800	2,391,046	1,924,172
Vehicles	592,522	676,398	107,617	138,973	700,139	815,371
Infrastructure	7,459,836	8,040,117	35,301,627	28,895,129	42,761,463	36,935,246
	<u>\$ 27,882,544</u>	<u>27,268,922</u>	<u>46,138,324</u>	<u>41,393,989</u>	<u>74,020,868</u>	<u>68,662,911</u>

Net capital assets increased by \$5,357,957 for the 2024 fiscal year. The City expended available resources to acquire \$8,188,161 in capital asset additions during the year. These additions were reduced by the current year’s depreciation expense of \$2,830,204. (Additional information on the City’s capital assets is presented in Note 5 to the basic financial statements).

CITY OF MORRIS, ILLINOIS

**Management’s Discussion and Analysis - Unaudited
For the Year Ended April 30, 2024**

Capital Assets and Debt Administration – (Continued)

Long-term Debt

Long-term Debt – At April 30, 2024, the City had total net debt outstanding of \$6,490,902, including the lease payments on right to use assets that consist of airport hangars for \$39,110, lines of credit of \$4,890,342, and the remaining balance due on the 2012 alternate revenue bond issue of \$1,561,450.

***Outstanding Debt at Year-end
Bonds and Capital Leases Payable***

	Business-type activities	
	2024	2023
Refunding Bonds Alternate Revenue Source (incl. premium)	\$ 1,561,450	2,062,821
Lines of Credit	4,890,342	2,418,188
Leases - Right to Use Assets	39,110	25,204
Total	<u>\$ 6,490,902</u>	<u>4,506,213</u>

Total outstanding debt increased by \$1,984,689 during the fiscal year as a result of the issuance of additional debt in the current year. Additional information on the City’s long-term debt is presented in Note 6 to the basic financial statements.

Economic Factors and Next Year’s Budget and Rates

Following are currently known City of Morris, Illinois economic factors considered in going into the 2023-2024 fiscal year.

- The City’s assessed value increased by 12.30% during the current fiscal year after increasing by 10.04% in the prior year. According to the Supervisor of Assessments, growth will likely continue in the next couple of years. This growth should be reflected as increased assessed valuations in the coming years. The City’s share of state sales tax, which represents the largest portion of General Fund revenue, has begun to experience increases in recent years and that trend is expected to continue.
- The City was awarded a grant for the construction of an additional East/West runway in the amount of \$11,783,349 through the Department of Transportation in December 2021. The estimated total project cost is \$14,972,187 and is scheduled to commence in FY2025.

Contacting the City’s Financial Management

This financial report is designed to provide a general overview of the City’s finances. If you have questions about this report or need additional financial information, contact Lori Werden, Budget Officer and City Clerk, 700 N. Division St., Morris, IL 60450, or by calling 815-942-4026 during regular office hours, Monday through Friday, from 8:00 a.m. to 4:30 p.m. central standard time.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

April 30, 2024

(With Comparative Figures for April 30, 2023)

	Governmental Activities	Business-type Activities	Totals	
			2024	2023
<u>ASSETS</u>				
Cash and cash equivalents	\$ 17,518,671	9,224,982	26,743,653	26,377,075
Receivables:				
Property taxes	10,112,840	-	10,112,840	8,610,871
Sales and use taxes	1,293,920	-	1,293,920	1,410,836
Income and replacement taxes	425,289	-	425,289	419,822
Grants receivable	-	2,848,000	2,848,000	-
Other taxes and fees	414,856	-	414,856	250,105
Customer fees (net of allowances)	-	220,780	220,780	181,447
Inventory	-	27,544	27,544	64,281
Internal balances	1,370,385	(1,370,385)	-	-
Notes receivable	28,800	-	28,800	36,000
Capital assets, net of accumulated depreciation	27,882,544	46,138,324	74,020,868	68,662,911
Total assets	59,047,305	57,089,245	116,136,550	106,013,348
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding	-	109,807	109,807	152,461
Pension-related deferred outflows	4,582,147	-	4,582,147	6,191,640
Asset retirement obligation	-	134,399	134,399	136,266
Total deferred outflows	4,582,147	244,206	4,826,353	6,480,367
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	507,058	986,719	1,493,777	1,192,315
Noncurrent liabilities:				
Due within one year	447,466	1,588,361	2,035,827	3,467,449
Due in more than one year	16,018,686	5,146,404	21,165,090	8,137,650
Net OPEB liability	1,117,372	-	1,117,372	1,136,388
Net pension liability	8,905,346	-	8,905,346	10,730,405
Total liabilities	26,995,928	7,721,484	34,717,412	24,664,207
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Succeeding year property tax	10,112,840	-	10,112,840	8,610,871
Pension-related deferred inflows	2,926,390	-	2,926,390	3,856,054
Total deferred inflows	13,039,230	-	13,039,230	12,466,925
<u>NET POSITION</u>				
Net investment in capital assets	27,882,544	38,277,039	66,159,583	62,786,315
Restricted	11,732,623	95,743	11,828,366	11,918,680
Unrestricted	(16,020,873)	11,239,185	(4,781,688)	657,588
Total net position	\$ 23,594,294	49,611,967	73,206,261	75,362,583

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Activities

Year Ended April 30, 2024

(With Comparative Figures for the Year Ended April 30, 2023)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	
							2024	2023
Governmental activities:								
General government	\$ 6,443,680	355,323	-	(261,510)	(6,349,867)	-	(6,349,867)	(4,908,694)
Employee retirement costs	2,011,102	-	-	-	(2,011,102)	-	(2,011,102)	(2,035,524)
Public safety	5,089,293	195,004	(244,012)	-	(5,138,301)	-	(5,138,301)	(3,703,018)
Transportation and public works	3,840,209	977	-	-	(3,839,232)	-	(3,839,232)	(4,862,328)
Culture and recreation	1,128,303	112,853	108,650	(21,798)	(928,598)	-	(928,598)	(854,930)
Environment	9,691,960	-	-	-	(9,691,960)	-	(9,691,960)	(113,157)
Community development	3,597,942	98,425	(702,483)	-	(4,202,000)	-	(4,202,000)	(2,560,365)
Total governmental activities	31,802,489	762,582	(837,845)	(283,308)	(32,161,060)	-	(32,161,060)	(19,038,016)
Business-type activities:								
Water sewer	6,204,378	7,450,954	-	25,000	-	1,271,576	1,271,576	(162,971)
Airport operation	935,594	689,169	-	3,006,117	-	2,759,692	2,759,692	(182,188)
Garbage collection disposal	1,355,640	1,380,618	-	-	-	24,978	24,978	20,336
Total business-type activities	8,495,612	9,520,741	-	3,031,117	-	4,056,246	4,056,246	(324,823)
Total government	\$ 40,298,101	10,283,323	(837,845)	2,747,809	(32,161,060)	4,056,246	(28,104,814)	(19,362,839)
General revenues:								
Property taxes					8,867,746	-	8,867,746	8,089,226
Sales tax					9,131,663	-	9,131,663	10,022,653
Other taxes					422,611	-	422,611	466,595
Intergovernmental revenue					3,717,177	-	3,717,177	3,616,579
Franchise fees					218,927	-	218,927	232,011
Interest					961,940	327,376	1,289,316	308,911
Rental income					-	-	-	-
Miscellaneous					1,935,034	-	1,935,034	312,636
Total general revenues					25,255,098	327,376	25,582,474	23,048,611
Transfers					(2,400,192)	2,400,192	-	-
Change in net position					(9,306,154)	6,783,814	(2,522,340)	3,685,772
Net position, beginning of year					32,534,430	42,828,153	75,362,583	71,676,811
Net position, end of year					\$ 23,228,276	49,611,967	72,840,243	75,362,583

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet - Governmental Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

	General Fund	TIF I Fund	Marina TIF Fund	Non-major Governmental Funds	Total Governmental Funds	
					2024	2023
<u>ASSETS</u>						
Cash and cash equivalents	\$ 5,847,913	5,049,520	3,680,284	2,958,142	17,535,859	19,029,295
Receivables:						
Property taxes	2,520,164	6,662,040	48,905	881,731	10,112,840	8,610,871
Sales and use taxes	1,293,920	-	-	-	1,293,920	1,410,836
Income and replacement taxes	425,289	-	-	-	425,289	419,822
Other taxes & fees	317,260	-	-	97,596	414,856	250,105
Due from other funds	1,370,385	-	-	-	1,370,385	1,370,385
Notes receivable	-	28,800	-	-	28,800	36,000
Total assets	<u>\$ 11,774,931</u>	<u>11,740,360</u>	<u>3,729,189</u>	<u>3,937,469</u>	<u>31,181,949</u>	<u>31,127,314</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
Liabilities:						
Overdraft payable	\$ -	-	-	17,188	17,188	21,827
Accounts payable	288,887	16,146	24,637	32,275	361,945	772,479
Accrued payroll	142,995	2,118	-	-	145,113	103,185
Accrued benefits	440,923	6,543	-	-	447,466	405,579
Total liabilities	<u>872,805</u>	<u>24,807</u>	<u>24,637</u>	<u>49,463</u>	<u>971,712</u>	<u>1,303,070</u>
Deferred inflows of resources:						
Succeeding year property tax	2,520,164	6,662,040	48,905	881,731	10,112,840	8,610,871
Total deferred inflows	<u>2,520,164</u>	<u>6,662,040</u>	<u>48,905</u>	<u>881,731</u>	<u>10,112,840</u>	<u>8,610,871</u>
Fund balances:						
Restricted	-	5,053,513	3,655,647	3,023,463	11,732,623	11,784,387
Unassigned	8,381,962	-	-	(17,188)	8,364,774	9,428,986
Total fund balances	<u>8,381,962</u>	<u>5,053,513</u>	<u>3,655,647</u>	<u>3,006,275</u>	<u>20,097,397</u>	<u>21,213,373</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,774,931</u>	<u>11,740,360</u>	<u>3,729,189</u>	<u>3,937,469</u>	<u>31,181,949</u>	<u>31,127,314</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Balance Sheet - Governmental Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

	2024	2023
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:		
Total governmental fund balances	\$ 20,097,397	21,213,373
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in government activities are not current financial resources, and, therefore, are not report in the funds. The cost of capital assets is \$79,453,647 and the accumulated depreciation is \$51,571,103.	27,882,544	27,268,922
Pension-related and OPEB-related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, are not reported in the governmental funds, as follows:		
Deferred outflows of resources - pensions	4,582,147	6,191,640
Deferred inflows of resources - pensions	(2,926,390)	(3,856,054)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported as liabilities in the governmental funds.		
Landfill closure	(15,937,024)	(6,368,619)
Compensated absences	(81,662)	(48,039)
Net OPEB liability	(1,117,372)	(1,136,388)
Net pension liability / asset	(8,905,346)	(10,730,405)
Net position of governmental activities	<u>\$ 23,594,294</u>	<u>32,534,430</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	General	Tax Increment	Marina	Non-major	Total Governmental Funds	
	Fund	Financing Fund I	Tax Increment Financing Fund	Governmental Funds	2024	2023
Revenues:						
Property taxes	\$ 2,224,785	5,966,453	36,234	640,274	8,867,746	8,089,226
Sales and use taxes	9,131,663	-	-	-	9,131,663	10,022,653
Other taxes	-	-	-	422,611	422,611	466,595
Intergovernmental revenue	3,069,535	-	-	647,642	3,717,177	3,616,579
Licenses and permits	327,281	-	-	-	327,281	170,012
Franchise fees	218,927	-	-	-	218,927	232,011
Charges for services	212,255	-	-	-	212,255	156,832
Grants	122,006	-	-	-	122,006	1,896,143
Donations	-	-	-	108,650	108,650	95,219
Fines	180,753	-	-	42,293	223,046	217,885
Interest	297,867	429,602	44,951	189,520	961,940	249,717
Other	875,478	69,023	-	4,742	949,243	1,108,119
Total revenues	16,660,550	6,465,078	81,185	2,055,732	25,262,545	26,320,991
Expenditures:						
Current:						
General government	4,293,350	378,810	32,130	178,109	4,882,399	5,797,887
Employee retirement costs	1,334,914	-	-	676,188	2,011,102	2,035,524
Public safety	5,627,839	-	-	20,284	5,648,123	5,203,518
Transportation and public service	2,681,986	-	-	68,272	2,750,258	2,726,427
Culture and recreation	677,391	-	-	420,888	1,098,279	1,029,423
Environment	-	-	123,274	281	123,555	113,157
Community development	-	3,587,072	10,870	-	3,597,942	3,324,181
Capital outlay	1,666,132	873,581	454,742	872,216	3,866,671	3,164,806
Total expenditures	16,281,612	4,839,463	621,016	2,236,238	23,978,329	23,394,923
Excess (deficiency) of revenues over (under) expenditures	378,938	1,625,615	(539,831)	(180,506)	1,284,216	2,926,068
Other financing sources (uses):						
Transfers in (out)	(1,447,789)	(1,300,000)	2,300,000	(1,952,403)	(2,400,192)	-
Changes in fund balances	(1,068,851)	325,615	1,760,169	(2,132,909)	(1,115,976)	2,926,068
Fund balances, beginning of year	9,450,813	4,727,898	1,895,478	5,139,184	21,213,373	18,287,305
Fund balances, end of year	\$ 8,381,962	5,053,513	3,655,647	3,006,275	20,097,397	21,213,373

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024	2023
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities		
Net change in fund balances - total governmental funds	\$ (1,115,976)	2,926,068
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Capital outlay expenditures exceeded depreciation expense in the current year as follows:		
Expenditures for capital assets	2,315,434	1,490,644
Depreciation expense	(1,701,812)	(1,529,991)
Governmental funds report City Pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense.		
City pension contributions	1,338,214	1,349,129
City OPEB contributions	66,339	88,565
Cost of pension benefits incurred net of employee contributions	(192,984)	(954,663)
Cost of OPEB benefits incurred net of employee contributions	(47,323)	583,143
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds as follows:		
Landfill closure	(9,568,405)	-
Compensated absences	(33,623)	(1,494)
Change in net position of governmental activities	<u>\$ (8,940,136)</u>	<u>3,951,401</u>

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Net Position - Proprietary Funds
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2024	2023
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,298,258	800,995	125,729	9,224,982	7,369,607
Accounts receivable, net	176,402	14,861	29,517	220,780	181,447
Grants receivable	-	2,848,000	-	2,848,000	-
Inventory	-	27,544	-	27,544	64,281
Total current assets	8,474,660	3,691,400	155,246	12,321,306	7,615,335
Noncurrent assets:					
Land	613,374	7,882,632	-	8,496,006	5,546,795
Other capital assets, net of depreciation	36,035,769	1,606,549	-	37,642,318	35,847,194
Total noncurrent assets	36,649,143	9,489,181	-	46,138,324	41,393,989
Total assets	45,123,803	13,180,581	155,246	58,459,630	49,009,324
DEFERRED OUTFLOWS OF RESOURCES					
Asset retirement obligation	134,399	-	-	134,399	136,266
Deferred charge on refunding	109,807	-	-	109,807	152,461
	244,206	-	-	244,206	288,727
LIABILITIES					
Current liabilities:					
Accounts payable & accrued expenses	892,518	94,201	-	986,719	316,651
Compensated absences	66,496	24,689	-	91,185	122,268
Due to other funds	-	1,370,385	-	1,370,385	1,370,385
Line of credit payable	964,386	-	-	964,386	2,418,188
Lease payable	-	21,437	-	21,437	20,043
Revenue bonds payable	511,353	-	-	511,353	501,371
Total current liabilities	2,434,753	1,510,712	-	3,945,465	4,748,906
Non-current liabilities:					
Compensated absences	10,485	2,195	-	12,680	14,383
Line of credit	3,925,956	-	-	3,925,956	-
Lease payable	-	17,673	-	17,673	5,161
Asset retirement obligation	140,000	-	-	140,000	140,000
Revenue bonds payable	1,050,095	-	-	1,050,095	1,561,448
Total non-current liabilities	5,126,536	19,868	-	5,146,404	1,720,992
Total liabilities	7,561,289	1,530,580	-	9,091,869	6,469,898
NET POSITION					
Net investment in capital assets	30,197,353	8,079,686	-	38,277,039	35,517,393
Restricted	95,743	-	-	95,743	134,293
Unrestricted	7,513,624	3,570,315	155,246	11,239,185	7,176,467
Total net position	\$ 37,806,720	11,650,001	155,246	49,611,967	42,828,153

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Enterprise Funds			Total	
	Water and Sewer Fund	Airport Fund	Garbage Fund	2024	2023
Operating revenues:					
Water and sewer sales	\$ 5,513,458	-	-	5,513,458	4,871,654
Infrastructure fees	1,738,187	-	-	1,738,187	5,692
Garbage collection fees	30,437	-	1,380,618	1,411,055	1,319,253
Tap on fees/meters	127,500	-	-	127,500	70,496
Facilities rental	-	324,332	-	324,332	302,149
Fuel sales	-	360,683	-	360,683	430,627
Miscellaneous revenue	41,372	4,154	-	45,526	54,116
Total operating revenues	7,450,954	689,169	1,380,618	9,520,741	7,053,987
Operating expenses:					
Personal services	1,696,046	255,657	-	1,951,703	1,870,091
Contractual services	1,336,888	220,774	1,352,970	2,910,632	2,623,669
Commodities	719,258	310,021	-	1,029,279	1,026,857
Capital outlay/maintenance	1,157,265	20,688	-	1,177,953	706,862
Depreciation and amortization	1,017,413	112,847	-	1,130,260	968,918
Other expenses	195,783	9,635	2,670	208,088	94,658
Total operating expenses	6,122,653	929,622	1,355,640	8,407,915	7,291,055
Operating income (loss)	1,328,301	(240,453)	24,978	1,112,826	(237,068)
Non-operating revenues (expenses):					
Bank service fees	(350)	-	-	(350)	(351)
State and federal grants	25,000	3,006,117	-	3,031,117	-
Interest income	288,942	25,241	13,193	327,376	59,194
Interest expense	(81,375)	(5,972)	-	(87,347)	(87,404)
Total non-operating revenues (expenses)	232,217	3,025,386	13,193	3,270,796	(28,561)
Income (loss) before transfers	1,560,518	2,784,933	38,171	4,383,622	(265,629)
Transfers in (out)	(1,000,000)	3,600,192	(200,000)	2,400,192	-
Change in net position	560,518	6,385,125	(161,829)	6,783,814	(265,629)
Net position, beginning of year	37,246,202	5,264,876	317,075	42,828,152	43,093,782
Net position, end of year	\$ 37,806,720	11,650,001	155,246	49,611,967	42,828,153

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Enterprise Funds				
	Water and Sewer Fund	Airport Fund	Garbage Fund	Total	
				2024	2023
Cash flows from operating activities:					
Receipts from customers	\$ 7,369,095	680,231	1,386,556	9,435,882	6,930,465
Other operation receipts	41,372	4,154	-	45,526	60,503
Payments to suppliers	(2,842,604)	(445,141)	(1,355,640)	(4,643,385)	(4,560,557)
Payments to employees	(1,720,536)	(263,943)	-	(1,984,479)	(1,828,133)
Net cash provided by (used in) operating activities	2,847,327	(24,699)	30,916	2,853,544	602,278
Cash flows from noncapital financing activities:					
Internal advances	(1,000,000)	3,600,192	(200,000)	2,400,192	-
Cash flows from capital and related financing activities:					
Line of credit proceeds	2,472,154	48,938	-	2,521,092	2,418,188
Capital assets acquired	(3,366,452)	(3,015,434)	-	(6,381,886)	(4,779,177)
Principal & interest on capital leases	-	(43,209)	-	(43,209)	(2,650)
Principal & interest on alternate revenue bonds	(4,851)	-	-	(4,851)	(538,961)
Grant receipts	25,000	158,117	-	183,117	-
Net cash provided by (used in) capital financing activities	(874,149)	(2,851,588)	-	(3,725,737)	(2,902,600)
Cash flows from investing activities:					
Interest received	288,942	25,241	13,193	327,376	59,194
Net change in cash and cash equivalents	1,262,120	749,146	(155,891)	1,855,375	(2,241,128)
Cash and cash equivalents, beginning of year	7,036,138	51,849	281,620	7,369,607	9,610,735
Cash and cash equivalents, end of year	\$ 8,298,258	800,995	125,729	9,224,982	7,369,607
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,328,301	(240,453)	24,978	1,112,826	(237,068)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation	1,017,413	112,847	-	1,130,260	968,918
Effects of changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(40,487)	(4,784)	5,938	(39,333)	(63,019)
(Increase) decrease in inventory	-	36,737	-	36,737	(31,128)
Increase (decrease) in accounts payable	566,590	79,240	-	645,830	(77,383)
Increase in compensated absences	(24,490)	(8,286)	-	(32,776)	41,958
Net cash provided by (used in) operating activities	\$ 2,847,327	(24,699)	30,916	2,853,544	602,278

The Notes to Basic Financial Statements are an integral part of this statement.

Statement of Fiduciary Net Position
 April 30, 2024
 (With Comparative Figures for April 30, 2023)

	Police Pension Trust Fund	Custodial Fund	Totals	
			2024	2023
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,006,327	232,311	3,238,638	1,497,236
Investments:				
Mutual funds	6,451	-	6,451	2,185,455
Pooled investments	19,964,607	-	19,964,607	17,653,073
Prepaid expenses	483	-	483	1,600
Accrued interest	-	-	-	-
Total assets	<u>22,977,868</u>	<u>232,311</u>	<u>23,210,179</u>	<u>21,337,364</u>
<u>LIABILITIES</u>				
Accounts payable	8,275	-	8,275	2,870
Payable to others	-	232,311	232,311	151,679
Total liabilities	<u>8,275</u>	<u>232,311</u>	<u>240,586</u>	<u>154,549</u>
<u>NET POSITION</u>				
Held in trust for pension benefits	<u>\$ 22,969,593</u>	<u>-</u>	<u>22,969,593</u>	<u>21,182,815</u>

Statement of Changes in Fiduciary Net Position
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Police Pension Trust Fund	
	2024	2023
Additions:		
Contributions:		
Employer contributions	\$ 1,338,214	1,349,129
Plan member contributions	264,118	239,791
Total contributions	1,602,332	1,588,920
Net investment income:		
Net change in fair value of investments	1,513,050	332,777
Investment income	269,008	350,496
Total investment income	1,782,058	683,273
Less: Investment expense	(10,088)	(47,391)
Net investment income	1,771,970	635,882
Total additions	3,374,302	2,224,802
Deductions:		
Administrative	42,295	38,877
Benefit payments, including member refunds	1,545,229	1,616,549
Total deductions	1,587,524	1,655,426
Changes in net position	1,786,778	569,376
Net position, beginning of year	21,182,815	20,613,439
Net position, end of year	\$ 22,969,593	21,182,815

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2024

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Morris, Illinois (the City) was incorporated on February 12, 1853, and operates under an aldermanic-city form of government consisting of eight elected aldermen and a mayor. Services provided include police protection, collection and disposal of refuse, water and sewer services, storm water management, parks, swimming pool, airport facilities, and maintenance of streets.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the government are described below.

A. The Financial Reporting Entity

For financial reporting purposes, the City of Morris, Illinois has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. GASB has set forth criteria in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

Blended Component Unit – Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). It functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The pension system is a component unit because of the composition of the board and the fact that the City is required by state statute to provide a majority of the funding. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it was part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. The activities of the Police Pension Employees Retirement System are accounted for in the Police Pension Trust Fund.

B. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Government-wide Financial Statements – (Continued)

The Statement of Net Position presents the City’s non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories.

- a. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets. Net investment in capital assets is calculated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Government</u>
Capital Assets, net of accumulated depreciation	\$ 27,882,544	46,138,324	74,020,868
Less:			
Loan from General Fund	-	(1,370,385)	(1,370,385)
Leases payable	-	(39,110)	(39,110)
Line of credit payable	-	(4,890,342)	(4,890,342)
Revenue bonds payable	-	(1,561,448)	(1,561,448)
	<u>\$ 27,882,544</u>	<u>38,277,039</u>	<u>66,159,583</u>
Net investment in capital assets	<u>\$ 27,882,544</u>	<u>38,277,039</u>	<u>66,159,583</u>

- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.” Unrestricted net position may be subject to constraints imposed by management, which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or identifiable activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The City does not allocate indirect costs.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major governmental funds.

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all financial resources, except those to be accounted for in another fund. The City’s General Fund primarily receives revenues from local property and sales taxes.

Tax Increment Financing Fund I – Accounts for capital improvements and community development for a specific area of the City established as a Tax Increment Financing District. Revenues are primarily comprised of incremental property tax proceeds.

Marina Tax Increment Financing Fund – Accounts for capital improvements and community development for a specific proposed marina area of the City established as a Tax Increment Financing District. Revenues are primarily comprised of incremental property tax proceeds.

The City reports the following major proprietary funds:

Water and Sewer Fund – Accounts for the operation of the City’s water and sewer utility. Activities of the fund include administration, operation and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed annually and adjusted if necessary to ensure integrity of the fund.

Airport Fund – Accounts for the operation of the City’s airport facility. Activities of the fund include administration, operation and maintenance of the airport facilities and billing and collection activities. All costs are financed through charges made to airport customers primarily for hangar rental, facility rental and fuel sales. Lease and fuel sale rates are reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Garbage Fund – Accounts for the operation of the City’s refuse collection and disposal service. Activities of the fund include refuse collection and disposal, and billing and collection activities. All costs are financed through charges made to customers with rates reviewed annually and adjusted if necessary to ensure integrity of the fund.

The City also reports fiduciary funds which focus on net position and changes in net position. The City’s fiduciary funds include the Police Pension Trust Fund and a custodial fund.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

B. Basis of Presentation – (Continued)

Fund Financial Statements – (Continued)

The City's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

During the course of operations the government has activity between and among funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days after year-end.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

C. Measurement Focus and Basis of Accounting – (Continued)

Property taxes, sales taxes, other intergovernmental taxes, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the City's policy is generally to first apply the expenditure toward restricted fund balance and then to less-restrictive classifications – committed, assigned and then unassigned fund balances.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Cash Equivalents

Cash and cash equivalents are pooled into common accounts in order to maximize investment opportunities and improve cash management. The City considers all cash on hand, demand deposits, money market accounts, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Investments

State statutes authorize the government to invest in the following:

1. Commercial banks
2. Savings and loan institutions
3. Obligations of the US Treasury and US Agencies
4. Obligations of the States and their political subdivisions
5. Credit union shares
6. Repurchase agreements
7. Commercial paper rated within the three highest classifications by at least two standard rating services
8. Illinois Public Treasurer's Investment Pool

Restricted Assets

The City elects to use restricted before unrestricted assets when the situation arises where either can be used. Certain assets of the Water & Sewer Fund are restricted because their use is limited by applicable debt agreements.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales taxes, property taxes, motel taxes, franchise fees, and various other taxes. Business-type activities report service fees as their major receivables.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Property Taxes

The City levies its property tax for the subsequent year in December. This levy is certified to the County of Grundy, as they are the collection agency for taxes within the county. Taxes are recognized as receivables in the current year when the City is notified by the County of the amount. Property taxes attach as an enforceable lien on property on January 1 and are payable in two installments on July 1 and September 1, and collections are remitted to the City from July through December. When the receivable for taxes is recognized by the City, the amount estimated to be uncollectible is not recorded as it is always less than ½ of one percent and considered immaterial to the financial statements taken as a whole.

Under current procedures, the County Treasurer distributes all property taxes received to the City including amounts paid by taxpayers that have filed tax objections in the circuit court that such taxes are illegal and excessive. Any tax objections that are sustained in the subsequent legal proceedings are deducted from future property tax distributions that are due to the City.

In the Fund Financial Statements, property tax revenues are recognized under the modified accrual basis of accounting so that (a) taxes relating to the current budget and collected within 60 days after the end of the fiscal year be recognized as revenue currently; and (b) a property tax assessment made during the current year for the purpose of financing the budget of the following fiscal period be recorded as receivable and unavailable revenue to be recognized as revenue in the future period for which it was levied.

Property taxes generated from the 2022 property tax levy (\$2,627,834) are used to finance the operating budget of the fiscal year ending April 30, 2024. Although the 2023 property tax levy receivable has been recorded, the related revenue (\$3,207,741) is deferred in both the government-wide and fund financial statements. Recognition of revenue is deferred until the year it is intended to finance.

Customer Accounts Receivable and Unbilled Usage

Accounts receivable are recorded in the Enterprise Funds at the time the service is billed.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due to the City could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require excessive collection costs are written off to the allowance for doubtful accounts.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Receivables from Others

Receivables due from others primarily represent various shared revenues from other entities. Shared revenues are recognized when the underlying exchange takes place. Items in this category include sales taxes, income and replacement taxes, motel taxes, franchise taxes and various other taxes collected by others for the City.

Due From and Due to Other Funds

During the course of its operations, the City has numerous transactions among funds. To the extent certain transactions between funds had not been paid or received as of April 30, 2024, balances of inter-fund amounts receivable or payable have been reported in the fund financial statements. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between governmental activities and business type activities are reported in the government-wide financial statements as “internal balances”.

Inventories

Inventory of the proprietary funds (Airport Fund) consists of fuel and oil supplies. Amounts on hand are stated at cost (first-in, first-out). Inventories are not material to the governmental funds and therefore are reported as expenditures at the time of purchase.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements, and in the fund financial statements for proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of one year. Purchased or constructed assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are recorded as expenditures at the acquisition date in the fund financial statements of the governmental funds. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives.

<u>Category</u>	<u>Life Range (Years)</u>	<u>Threshold</u>
Buildings and building improvements	25-50	\$ 100,000
Infrastructure	15-100	250,000
Land Improvements	10-50	50,000
Machinery and Equipment	5-20	10,000
Vehicles	5-10	15,000

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Impairment of Long-lived Assets

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position and the fund Balance Sheets sometimes report separate sections for deferred outflows / inflows of resources. These separate financial statement elements represent a consumption / acquisition of net position that applies to a future year(s) and so will not be recognized as an outflow (expense / expenditure) or inflow (revenue) of resources until then.

The City has three items that qualify for reporting as deferred outflows of resources. A deferred charge on bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The remaining two items are related to the City's pension and OPEB plans and are only recorded in the government-wide statement of net position.

The City has two types of items that qualify for reporting as deferred inflows of resources. One item, *unavailable property tax revenue*, is reported in the statement of net position and the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. The remaining item is related to the City's pension plans and is only recorded in the government-wide statement of net position.

Compensated Absences

The City's policy allows full-time employees to accumulate unused sick leave to a maximum of 37 ½ days per year cumulative to 112 ½ total days based upon length of employment. Police personnel may accumulate unused sick leave to a maximum of 17 ½ days per year cumulative to 1,080 hours based upon length of employment. Earned vacation and personal time are generally required to be used within one year of being earned and are not cumulative. Sick pay time, if not used by the employee, shall be paid to the employee at the rate of \$10 per day for each day not so used for all employees except police personnel.

The City has recorded a liability for accumulated compensated absences of \$632,989 as of April 30, 2024. See Note 6 for further information.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Long-term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental or business type activities column in the Statement of Net Position and the Proprietary Fund Statement of Net Position.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund (IMRF), and the Police Pension Fund, and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability attributable to the governmental activities will be paid primarily by the General Fund.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan, and additions to / deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The net OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Fund Equity – (Continued)

Fund Equity – (Continued):

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-spendable:

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

2. Restricted:

This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grants, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Committed:

This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

4. Assigned:

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

5. Unassigned:

This classification includes the residual fund balance for the General Fund and includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, gains, losses, and other changes in fund equity during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

The City has a policy that deposits of public funds will be done in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to applicable state statutes under the Illinois Public Funds Investment Act. During the current fiscal year, except for the Police Pension Fund, the City only holds certificates of deposit with maturities less than 90 days, checking accounts, and interest bearing NOW and money market accounts.

Custodial Credit Risk - Cash

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third party institution in the name of the City.

At year-end, the carrying amount of the City's deposits was \$26,743,653, including petty cash, and excluding fiduciary fund balances, and bank balances totaled \$27,752,322. \$1,000,000 of the bank balance was covered by federal depository insurance, with the remaining balance having specific pledged collateral in the name of the City. Deposits at April 30, 2024 are as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Bank demand deposits/NOW accounts	\$ 27,752,322	26,743,653
Total cash and cash equivalents - City	<u>\$ 27,752,322</u>	<u>26,743,653</u>
Fiduciary Funds	\$ 3,238,638	3,238,638
Total cash and cash equivalents	<u>\$ 30,990,960</u>	<u>29,982,291</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 2: DEPOSITS AND INVESTMENTS – (CONTINUED)

Investments

The City also has the same policy that investment of public funds will be done in a manner that will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to applicable state statutes under the Illinois Public Funds Investment Act. State statutes, city bond ordinances and city resolutions authorize the City's investments. The City is authorized to invest in U.S. Government obligations and its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality, obligations of any state or a political subdivision of any state rated within the four highest general classifications established by a nationally recognized rating service, money market mutual funds registered under the Investment Company Act of 1940 that invest in allowable securities and fully collateralized repurchase agreements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

City policy attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase. As of April 30, 2024, the Police Pension Trust Fund had the following investments in money markets and pooled investments held by the Illinois Police Officers' Pension Investment Fund (IPOPIF), which were the only investments subject to interest rate risk:

	Fair Value	Remaining Maturity			
		Less than One Year	1-5 Years	6-10 Years	11-15 Years
Mutual funds	\$ 6,451	6,451	-	-	-
Pooled Investments	19,964,607	19,964,607	-	-	-
Total Fixed Income Securities	\$ 19,971,058	19,971,058	-	-	-

Concentration of Credit Risk

Police Pension Fund is invested in IPOPIF pooled investment and money market funds. It is unknown if the Police Pension Fund held investments in any one organization that represented 5% or more of total investments.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 3: FAIR VALUE MEASUREMENTS

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments measured at fair value on a recurring basis are disclosed below:

	Balance at April 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 6,451	6,451	-	-
Pooled Investments	19,964,607	19,964,607	-	-
Total investments	<u>\$ 19,971,058</u>	<u>19,971,058</u>	<u>-</u>	<u>-</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate Bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4: RECEIVABLES

In the government-wide and fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. Major receivable balances for the governmental activities include sales taxes, property taxes, franchise fees, and various other taxes. Business-type activities report service fees as their major receivables. All receivable balances are presented in detail in the government-wide and fund financial statements.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 5: CHANGES IN CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2024, was as follows:

	Balance as of April 30, 2023	Additions	Deletions	Balance as of April 30, 2024
Capital assets not being depreciated:				
Land	\$ 6,528,556	-	-	6,528,556
Construction in progress	1,182,412	1,236,851	1,182,412	1,236,851
Total capital assets not being depreciated	<u>7,710,968</u>	<u>1,236,851</u>	<u>1,182,412</u>	<u>7,765,407</u>
Capital assets being depreciated:				
Land improvements	3,428,310	1,182,412	-	4,610,722
Buildings & Improvements	11,109,077	-	-	11,109,077
Machinery & equipment	2,556,010	629,678	26,903	3,158,785
Vehicles	2,931,036	191,921	45,180	3,077,777
Infrastructure	49,474,895	256,984	-	49,731,879
Total capital assets being depreciated	<u>69,499,328</u>	<u>2,260,995</u>	<u>72,083</u>	<u>71,688,240</u>
Total capital assets	<u>77,210,296</u>	<u>3,497,846</u>	<u>1,254,495</u>	<u>79,453,647</u>
Less accumulated depreciation:				
Land improvements	1,664,131	165,792	-	1,829,923
Buildings & improvements	3,142,189	224,780	-	3,366,969
Machinery & equipment	1,445,638	198,178	26,903	1,616,913
Vehicles	2,254,638	275,797	45,180	2,485,255
Infrastructure	41,434,778	837,265	-	42,272,043
Total accumulated depreciation:	<u>49,941,374</u>	<u>1,701,812</u>	<u>72,083</u>	<u>51,571,103</u>
Total capital assets being depreciated, net	<u>19,557,954</u>	<u>559,183</u>	<u>-</u>	<u>20,117,137</u>
Governmental activities capital assets, net	<u>\$ 27,268,922</u>	<u>1,796,034</u>	<u>1,182,412</u>	<u>27,882,544</u>

Depreciation for governmental activities in the current fiscal year was \$1,701,812 and was allocated as follows:

General Government	\$ 184,206
Public Safety	86,390
Transportation & Public Service	1,322,547
Culture & Recreation	108,669
Toal Depreciation - Governmental Activities	<u>\$ 1,701,812</u>

Significant capital additions for the year included the Airport Road Improvement Project (\$1,182,412), a 2023 Broom Truck (\$341,705), a two ton snow plow (\$158,421), RoverX HD System (\$118,650), a lighting project (\$145,000), and a video camera detection project (\$111,500).

Construction in Progress at April 30, 2024, included the Calhoun Street Bridge Replacement Project (\$520,022), Goodwill Park Renovation (\$385,773), and the Public Works Facility (\$331,056).

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 5: CHANGES IN CAPITAL ASSETS – (CONTINUED)

Capital asset activity for business-type activities for the year ended April 30, 2024, was as follows:

	Balance as of April 30, 2023	Additions	Deletions	Balance as of April 30, 2024
Capital assets not being depreciated:				
Land	\$ 5,546,795	2,949,211	-	8,496,006
Construction in progress	4,580,994	-	4,580,994	-
Total capital assets not being depreciated	<u>10,127,789</u>	<u>2,949,211</u>	<u>4,580,994</u>	<u>8,496,006</u>
Depreciable capital assets:				
Land improvements	58,345	-	-	58,345
Buildings & improvements	2,373,946	19,480	-	2,393,426
Machinery & equipment	1,340,990	126,597	-	1,467,587
Vehicles	569,249	-	-	569,249
Infrastructure	59,612,594	7,358,433	-	66,971,027
Total depreciable capital assets:	<u>63,955,124</u>	<u>7,504,510</u>	<u>-</u>	<u>71,459,634</u>
Total capital assets	<u>74,082,913</u>	<u>10,453,721</u>	<u>4,580,994</u>	<u>79,955,640</u>
Less accumulated depreciation:				
Land improvements	53,969	2,917	-	56,886
Buildings & improvements	960,024	50,961	-	1,010,985
Machinery & equipment	527,191	91,222	-	618,413
Vehicles	430,275	31,357	-	461,632
Infrastructure	30,717,465	951,935	-	31,669,400
Total accumulated depreciation	<u>32,688,924</u>	<u>1,128,392</u>	<u>-</u>	<u>33,817,316</u>
Total capital assets being depreciated, net	<u>31,266,200</u>	<u>6,376,118</u>	<u>-</u>	<u>37,642,318</u>
Business-type activities capital assets, net	<u>\$ 41,393,989</u>	<u>9,325,329</u>	<u>4,580,994</u>	<u>46,138,324</u>

Depreciation expense for business-type activities in the current fiscal year was \$1,128,392 and was charged as follows:

Water/Sewer	\$ 1,015,545
Airport	<u>112,847</u>
Total Depreciation - Business-Type Activities	<u>\$ 1,128,392</u>

Significant capital additions for the year included land for the Airport Runway Expansion (\$2,949,211), the Route 6 Sanitary Project (\$3,269,369), and the Lisbon Road Water Tower (\$4,215,914).

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 6: LONG-TERM LIABILITIES

Long-term liability activity for the year ended April 30, 2024, was as follows:

	Balance at April 30, 2023	Additions	Deductions	Balance at April 30, 2024	Due Within One Year
Governmental Activities:					
Landfill Closure (Note 12)	\$ 6,368,619	9,568,405	-	15,937,024	-
Compensated Absences (Note 1)	453,618	481,088	405,578	529,128	447,466
Total OPEB Liability (Note 10)	1,136,388	47,323	66,339	1,117,372	-
Net Pension Liability (Note 9)	10,730,405	4,640,959	6,466,018	8,905,346	-
Total Governmental Activities	\$ 18,689,030	14,737,775	6,937,936	26,488,870	447,466
Business-type Activities:					
General Obligation Waterworks and Sewerage Refunding Bonds					
(Alt. Rev Source) Series 2012	\$ 2,040,000	-	495,000	1,545,000	505,000
Bond Premium/(Discount), Net	22,821	-	6,371	16,450	6,353
Line of Credit - Busey Bank	2,418,188	1,852,043	-	4,270,231	964,386
Line of Credit - Grundy Bank	-	620,111	-	620,111	-
Asset retirement obligation	140,000	-	-	140,000	-
Leases - Right to Use	25,204	48,938	35,032	39,110	21,437
Compensated Absences (Note 1)	136,649	56,505	89,293	103,861	91,185
Total Business-type activities	\$ 4,782,862	2,577,597	625,694	6,734,765	1,588,361

Compensated absences and net police pension liabilities of governmental activities are paid from the General Fund. Net IMRF pension liabilities of governmental activities are paid from the IMRF Fund. General obligation debt and compensated absences of business-type activities are paid from the Water and Sewer Fund, while capital lease liabilities of business-type activities are paid from the Airport Fund.

Total interest expense of \$87,347 on long-term debt has been directly charged to business-type activities as follows: Water and Sewer Fund - \$81,375 and Airport Fund - \$5,972.

Series 2012 General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source)

On December 4, 2012, the City issued \$5,450,000 in series 2012 general obligation waterworks and sewerage refunding bonds (alternate revenue source) to advance refund a portion of the City's outstanding general obligation waterworks and sewerage bonds (alternate revenue source) series 2006 and pay associated costs with the issuance of the bonds. The net proceeds of \$5,444,267, provided resources to purchase U.S. government securities that were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments (\$4,850,000) of the refunded portion of the 2006 series bonds. As a result, the 2006 series bonds maturing on and after December 1, 2016 were considered defeased and the liability for those bonds had been removed from the City's financial statements. All bonds maturing on and after December 1, 2016 from the 2006 series bonds were retired on December 1, 2015 with the funds on hand in the escrow account.

The advance refunding was undertaken to reduce future debt service payments. The reacquisition price exceeded the net carrying amount of the old debt by \$594,267. This amount is shown as a deferred charge on refunding in the financial statements and is being netted against the new debt and amortized as a component of interest expense over the new debt's life, which is the same as the refunded debt. The transaction also resulted in an economic gain (difference between present values of the debt service payments on the old and new debt) of \$382,234 and a reduction in total debt service payments over the next 14 years by \$437,079.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 6: LONG-TERM LIABILITIES – (CONTINUED):

Series 2012 General Obligation Waterworks and Sewerage Refunding Bonds (Alternate Revenue Source) - Continued

Interest is payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2013 at rates from 2.00% to 2.30% with the Bank of New York Mellon Trust Company acting as paying agent, bond registrar and escrow agent for the refunded bonds. Bonds maturing on and after December 1, 2022, shall be subject to redemption prior to maturity on December 1, 2021, or any date thereafter in whole or in part on any interest payment date, in any order of maturity specified by the City at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption. Moody's Investor Services had issued an investment rating of "Aa2" at the time of the issue.

The Bonds are valid and legally binding general obligations of the City payable from (i) net revenues of the waterworks and sewerage system of the City (after the required monthly deposits and credits have been made to certain prior lien accounts, if any, established pursuant to future ordinances of the City authorizing waterworks and sewerage revenue bonds (the "net revenues"), (ii) from the City's receipts of its distributive share of (a) State of Illinois income taxes imposed by the State of Illinois pursuant to the Illinois Income Tax Act and distributed pursuant to the State Revenue Sharing Act, and (b) (the "Revenue Sharing Receipts"), retailer's occupation taxes, service occupation taxes, use taxes and service use taxes distributed pursuant to applicable law (the "sales taxes")(net revenues, revenue sharing receipts and sales taxes collectively constitute "pledged revenues"), and (c) from ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount. The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and by equitable judicial discretion.

The annual requirements to retire series 2012 alternate revenue bond debt service to maturity follow:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total P&I</u>
2025	\$ 505,000	34,010	539,010
2026	515,000	23,405	538,405
2027	525,000	12,075	537,075
	<u>\$ 1,545,000</u>	<u>69,490</u>	<u>1,614,490</u>

Grundy Bank Line of Credit

The City has an available \$7,000,000 line of credit carrying an interest rate of 4.8% with Grundy Bank on which it can draw for construction costs on the Sanitary Sewer Rehabilitation Project. As of April 30, 2024, the City has drawn \$620,111. The line of credit is due on February 7, 2031.

Busey Bank Line of Credit

The City has an available \$5,000,000 line of credit carrying an interest rate of 2.8% with Busey Bank on which it can draw for construction costs on the Water Tower Project. As of April 30, 2024, the City has drawn \$4,270,231.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 6: LONG-TERM LIABILITIES – (CONTINUED):

Busey Bank Line of Credit – (Continued)

The annual requirements to retire Busey Bank Line of Credit is as follows:

Year Ending April 30,	Principal	Interest	Total P&I
2025	\$ 964,386	111,966	1,076,352
2026	992,392	83,960	1,076,352
2027	1,020,870	55,483	1,076,352
2028	1,050,161	26,191	1,076,352
2029	242,422	1,871	244,293
	<u>\$ 4,270,231</u>	<u>279,471</u>	<u>4,549,702</u>

Asset Retirement Obligation

The City has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance with state requirements. The ARO was measured using historical costs for similar abandonments, adjusted for inflation through the end of the year and engineering estimates. The estimated remaining useful lives of the water wells is 75 years.

Lease Liabilities

Corporate Hangar Lease

On August 21, 2019, the City entered into a lease agreement with Grundy Bank for financing for the construction of airport hangars in the amount of \$250,000. In 2019, the City refinanced the remaining balance on the lease of \$92,471. The lease has an interest rate of 4.75% and matures on July 10, 2024. The lease has a current balance of \$5,161 and will be paid out of the Airport Fund.

Kubota Equipment Lease

On December 8, 2023, the City entered into a lease agreement with Kubota for equipment in the amount of \$48,938. The lease has an interest rate of 8.60% and matures on December 8, 2025. The lease has a current balance of \$33,949 and will be paid out of the Airport Fund.

The lease agreements are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance April 30, 2024
Grundy Bank	7/10/2019	5 years	\$ 5,222	4.75%	\$ 92,471	\$ 5,161
Kubota	12/8/2023	3 years	\$ 19,194	8.60%	\$ 48,938	\$ 33,949

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 7: LEGAL DEBT MARGIN

Legal debt margin is the percent of the City's assessed valuation which is subject to debt limitation. The statutory debt limitation for the City is 8.625%. The City's legal debt margin is as follows as of April 30, 2024:

Assessed valuation (2023) - Including TIF Districts		<u>\$ 560,493,609</u>
Statutory debt limitation (8.625%)		\$ 48,342,574
Debt applicable to limitation:		
General Obligation Refunding Bonds (ARS), Series 2012	\$ 1,545,000	
Lines of Credit	4,890,342	
Airport Hangar Capital Lease Commitment, dated July 10, 2014	<u>39,110</u>	
Total applicable debt	<u>6,474,452</u>	
Less amounts not included in the debt limitation:		
Self-supporting bonded debt	(1,545,000)	
Line of Credit	(4,890,342)	
Capital lease	<u>(39,110)</u>	
Total debt applicable to the debt limitation	<u>(6,474,452)</u>	
Legal debt margin		<u>\$ 48,342,574</u>

NOTE 8: DEFINED BENEFIT PENSION PLANS

The City's total liability for pensions is reported in the Statement of Activities as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Pension Liability (Asset)	Pension Expense (Income)
Police Pension	\$ 1,864,089	(1,305,817)	8,935,657	956,462
IMRF	<u>2,718,058</u>	<u>(1,620,573)</u>	<u>(30,311)</u>	<u>(493,559)</u>
Totals	<u>\$ 4,582,147</u>	<u>(2,926,390)</u>	<u>8,905,346</u>	<u>462,903</u>

Illinois Municipal Retirement Fund

Plan Description

The City's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The City's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multiple-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at www.imrf.org.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Benefits Provided

IMRF has three benefit plans. The majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected City Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired before January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 – 2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Benefits Provided – (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of original pension amount
- ½ of the increase in the Consumer Price Index of the original pension amount.

Membership

As of December 31, 2023, the City's plan membership consisted of the following:

Retirees and beneficiaries	62
Inactive, non-retired members	18
Active members	<u>53</u>
Total	<u><u>133</u></u>

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Contributions

As set by statute, the City’s Regular plan members are required to contribute a percent of their annual covered salary. The statute requires the City to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The required contribution rates and actual City contributions for calendar year 2023 and the fiscal year ended April 30, 2024 are summarized below. The City also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Member contribution rate	4.50%
City contribution rate - 2023	6.96%
City contribution rate - 2024	5.23%
City contributions - 2023	\$ 287,636
City contributions - fiscal year 2024	\$ 271,208

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The Actuarial Cost Method used was Aggregate Entry Age Normal.
- The Asset Valuation Method used was 5-Year smoothed market; 20% corridor
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.75% to 13.75%, including inflation.
- The Investment Rate of Return was assumed to be 7.25%.
- Projected Retirement Age was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed using the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020.
- For Disabled Retirees, an IMRF-specific mortality rate was developed using Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For Active Members, an IMRF-specific mortality rate was developed using Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Actuarial Assumptions – (Continued)

- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2023.

<u>Asset Class</u>	<u>Portfolio Target Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	34.5%	5.00%
International Equity	18%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	<u>1%</u>	3.80%
Total	<u>100%</u>	

Single Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

The single discount rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For purposes of the December 31, 2023 valuations, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (Asset) (A) - (B)
Balances at December 31, 2022	\$ 21,978,086	20,669,303	1,308,783
Changes for the year:			
Service Cost	383,505	-	383,505
Interest on the Total Pension Liability	1,576,950	-	1,576,950
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(11,429)	-	(11,429)
Changes of Assumptions	(11,019)	-	(11,019)
Contributions - Employer	-	287,636	(287,636)
Contributions - Employees	-	185,970	(185,970)
Net Investment Income	-	2,197,997	(2,197,997)
Benefit Payments, including Refunds of Employee Contributions	(837,595)	(837,595)	-
Other (Net Transfer)	-	605,498	(605,498)
Net Changes	1,100,412	2,439,506	(1,339,094)
Balances at December 31, 2023	<u>\$ 23,078,498</u>	<u>23,108,809</u>	<u>(30,311)</u>

Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1.00% lower or 1.00% higher.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 25,594,869	23,078,498	21,063,565
Plan Fiduciary Net Position	23,108,809	23,108,809	23,108,809
Net Pension Liability (Asset)	<u>\$ 2,486,060</u>	<u>(30,311)</u>	<u>(2,045,244)</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Illinois Municipal Retirement Fund – (Continued)

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended April 30, 2023, the City recognized pension income of \$493,559. At April 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 25,024	110,407
Changes in assumptions	-	7,782
Net difference between projected and actual earnings on pension plan investments	<u>2,620,420</u>	<u>1,502,384</u>
Total deferred amounts to be recognized in future pension expense	2,645,444	1,620,573
Contributions subsequent to the measurement date	<u>72,614</u>	-
Total	<u>\$ 2,718,058</u>	<u>1,620,573</u>

\$72,614 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended April 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

Calendar Year Ending December 31,	Net Deferred Outflows of Resources
2024	\$ 87,876
2025	342,473
2026	732,664
2027	(138,142)
20285	-
Thereafter	-
	<u>\$ 1,024,871</u>

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan

Plan Description

Administration

The City of Morris Police Pension Fund was created and is administered as prescribed by “Article 3 Police Pension Fund – Municipalities 500,000 and under” of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). Police sworn personnel are covered by the Plan. Although this is a defined-benefit single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the plan as a pension trust fund and issues a separate report prepared by Lauterbach & Amen, LLP.

Membership

As of April 30, 2024, the City’s plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	24
Inactive Plan Members Entitled To but Not Yet Receiving Benefits	4
Active Plan Members	<u>26</u>
Total	<u><u>54</u></u>

Benefits Provided

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of the final salary for each year of service. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the originally granted pension and 3% compounded annually thereafter.

Surviving spouses receive 100% of the final salary for fatalities resulting from an act of duty, or otherwise the greater of 50% of final salary or the employee’s retirement benefit. Employees disabled in the line of duty receive 65% of final salary.

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

***Benefits Provided* – (Continued)**

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year or service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

As set by statute, employees are required to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost of the Plan. For the year ended April 30, 2024, the City contribution was \$1,338,214.

Investments

During the year ended June 30, 2022, the Pension Fund transferred its investments, with the exception of funds held in a money market account, into the Illinois Police Officers' Pension Investment Fund (IPOPIF). IPOPIF was established by legislative act of the Illinois General Assembly, P.A. 101-610, which took effect on January 1, 2020. The authority of IPOPIF to manage pension fund assets of Article 4 Pension Funds begins when there has been a physical transfer of the pension fund assets to the Fund and the assets have been placed in the custody of the Funds custodian or custodians. After the transition of investment assets from Article 4 Pension Funds to the Fund has been completed, the Fund has the authority to manage the pension fund assets of the transferor pension funds for the purpose of obtaining a total return on investments for the long term. The Fund is defined as an investment trust fund and an external investment pool. IPOPIF issues a publicly available Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.ipopif.org.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Net Pension Liability

The City's net pension liability was measured as of April 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of May 1, 2023.

The components of the net pension liability of the Plan at April 30, 2024, were as follows:

Total Pension Liability	\$ 31,905,250
Plan Fiduciary Net Position	<u>22,969,593</u>
Net Pension Liability	<u>\$ 8,935,657</u>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of May 1, 2022, updated to April 30, 2024, using the following actuarial assumptions.

- The Actuarial Cost Method used was Entry Age Normal.
- The Amortization Method used was Level % Pay (Closed).
- The Asset Valuation Method used was 5-Year Smoothed Fair Value.
- High Quality 20 Year Tax-Exempt G.O. Bond Rate increased from 3.53% to 4.07%
- The Inflation Rate was assumed to be 2.25%.
- Salary Increases were expected to be 2.25 – 11.51%.
- The Investment Rate of Return was assumed to be 7.00%.
- Retirement Rates are based on Lauterbach & Amen 2020 Illinois police retirement rates capped at age 65.
- Disability and termination rates were based on Lauterbach & Amen 2020 Illinois police rates.
- Marital status assumption – 80% married.
- Active mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study. Mortality improvements uses MP-2019 Improvement Rates applied on a fully generational basis. 50% of active member deaths are assumed to be in the Line of Duty.
- Retiree mortality follows the L&A Assumption Study for Police 2020. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2017 using MP-2019 Improvement Rates. These rates are then improved fully generationally using MP-2019 Improvement Rates.
- Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.
- Spouse mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. Mortality improvement uses MP-2019 Improvement Rates applied on a fully generational basis.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Actuarial Assumptions – (Continued)

- The Long-Term Expected Rate of Return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy. The target asset allocations show below are representative expectations as disclosed in the Illinois Police Officers’ Pension Investment Fund Actuarial Experience Study, dated March 4, 2022, for plan funding purposes. The table below illustrates the best estimate of Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation, as disclosed in the Horizon Actuarial Services Survey of Capital Market Assumptions 2021 Edition, dated August 2021. The rates provided in the table below are based on a geometric average.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectation	Long-Term Expected Real Rate of Return	Target Allocation
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International Developed	7.14%	2.50%	4.64%	18.00%
International Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity (Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp. Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term Gov’t/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed Income	3.23%	2.50%	0.73%	3.00%

For the year ended April 30, 2024, the annual money-weighted rate of return on Police Pension Plan investments, net of expenses, was not available. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested.

Bond Rate

The High-Quality 20 Year Tax-Exempt General Obligation (“G.O.”) Bond Rate assumption was changed from 3.53% to 4.07% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of Index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Discount Rate

A Single Discount Rate of 7.00% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.00% and the resulting single discount rate is 7.00%, because the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current members.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2023	\$ 30,604,437	21,182,815	9,421,622
Changes for the year:			
Service Cost	537,216	-	537,216
Interest on the Total Pension Liability	2,100,993	-	2,100,993
Differences Between Expected and Actual Experience of the Total Pension Liability	207,833	-	207,833
Changes of Assumptions	-	-	-
Change of Benefit Terms	-	-	-
Contributions - Employer	-	1,338,214	(1,338,214)
Contributions - Employees	-	261,279	(261,279)
Net Investment Income	-	1,771,969	(1,771,969)
Benefit Payments, including Refunds of Employee Contributions	(1,545,229)	(1,545,229)	-
Other	-	(39,455)	39,455
Net Changes	<u>1,300,813</u>	<u>1,786,778</u>	<u>(485,965)</u>
Balances at April 30, 2024	<u>\$ 31,905,250</u>	<u>22,969,593</u>	<u>8,935,657</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLANS – (CONTINUED)

Police Pension Plan – (Continued)

Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability/(Asset)	\$ 13,455,284	8,935,657	5,248,750

Pension Expense and Deferred Outflows / Inflows of Resources Related to Pensions

For the year ended April 30, 2023, the City recognized pension expense of \$956,462. At April 30, 2024, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 784,584	553,416
Changes in assumptions	-	34,034
Net difference between projected and actual earnings on pension plan investments	1,079,505	718,367
Total	<u>\$ 1,864,089</u>	<u>1,305,817</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense in future periods as follows:

Year Ending April 30,	Net Deferred Outflows of Resources
2025	\$ (62,639)
2026	413,524
2027	102,461
2028	(10,633)
2029	94,968
Thereafter	20,591
	<u>\$ 558,272</u>

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in Note 9, the City provides healthcare insurance for certain retired employees. All employees who meet the IMRF or Police Pension retirement eligibility requirements may participate in the healthcare insurance program, which covers both active and retired members. The plan does not issue a separate report. The activity of the plan is reported with the City's governmental activities in the accompanying financial statements.

Benefits Provided

Medical / Prescription Coverage

- IMRF & non-PSEBA Police Officers:
 - Under age 65 – retiree pays full cost of coverage, including dependents; dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
 - Age 65 and over – retiree pays full cost of coverage with the Plan being secondary to Medicare; dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
- PSEBA Police Officers:
 - Under age 65 – City pays full cost of coverage, including any dependents; dependent or spousal coverage continues should retiree coverage terminate.
 - Age 65 and over – City pays full cost of coverage with the Plan being secondary to Medicare; dependent or spousal coverage continues should retiree coverage terminate.

Dental, Vision, and Life Coverage

- IMRF and non-PSEBA Police Officers:
 - Retiree pays for the full cost of coverage, including any dependents, for dental and vision. Dependent or spousal coverage may continue under COBRA provisions should retiree coverage terminate.
 - Dental and vision coverage may continue past Medicare eligibility, with the retiree paying the full cost of coverage.
 - Retirees are permitted to remain on life insurance in retirement, with the retiree paying the full cost of coverage (coverage may be reduced depending on the retiree's age at retirement).
- PSEBA Police Officers:
 - The City may pay for the full cost of coverage, including any dependents, for dental, vision and life insurance. Dependent or spousal coverage may continue should retiree coverage terminate.
 - Dental, vision, and life insurance coverage may continue past Medicare eligibility, with the City continuing to pay the full cost of coverage, including any dependents. The plans are secondary to Medicare once applicable.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Membership

As of April 30, 2024, the following employees were covered by the benefit terms:

Active employees	75
Inactive employees entitled to but not yet receiving benefits	0
Inactive employees currently receiving benefits	<u>5</u>
Total	<u><u>80</u></u>

Contributions

The City Council determines the benefits to be provided and contribution requirements. The City currently funds these benefits on a pay-as-you-go basis and has not established a separate trust fund. The employees reimburse the City for the full monthly premium, if applicable.

A portion of the City's contributions and benefit payments is based on the cost-sharing provisions of the plan. In addition, a portion is related to the increase in active premiums due to the presence of retirees in the determination of blended retiree/active premiums.

Of the benefit payments made in 2024, \$17,021 are explicit benefit payments due to the PSEBA pensioners and \$49,318 are implicit benefit payments due to the presence of retirees in the determination of the blended retiree/active premiums.

Net OPEB Liability

At April 30, 2024, the City had a net OPEB liability for the plan, determined as follows:

Total OPEB Liability	\$ 1,117,372
Plan Fiduciary Net Position	<u>-</u>
Net OPEB Liability	<u><u>\$ 1,117,372</u></u>

The net OPEB liability was measured as of April 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of May 1, 2023, using 2023 data.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Changes in the Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at May 1, 2023	\$ 1,136,388	-	1,136,388
Changes for the year:			
Service Cost	69,765	-	69,765
Interest	38,944	-	38,944
Differences in Actuarial Experience	-	-	-
Changes of Assumptions	(61,386)	-	(61,386)
Contributions - Employer	-	66,339	(66,339)
Contributions - Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(66,339)	(66,339)	-
Administrative expense	-	-	-
Net Changes	(19,016)	-	(19,016)
Balances at April 30, 2024	\$ 1,117,372	-	1,117,372

Actuarial Assumptions

The following are the methods and assumptions used to determine total OPEB liability at April 30, 2024:

- The Actuarial Cost Method used was Entry Age Normal (Level %)
- Discount rate used for the Total OPEB Liability:
 - Beginning of year – 3.53%
 - End of year – 4.07%
- High Quality 20 Year Tax-Exempt GO Bond Rate:
 - Beginning of year – 3.53%
 - End of year – 4.07%
- Payroll increases – 2.75%
- Healthcare Cost Trend Rates – The initial trend rate is based on the 2023 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
- Election at retirement is assumed to be 10%, except for police currently waiving coverage, which are assumed to elect coverage at 3%.
- Spousal election assumption is 50%
- Plan participation rates – 100%
- Retiree lapse ranges upon attaining age 65 – 0%
- Termination & Disability rates are based on the IMRF 2020 rates for IMRF employees and on the L&A Assumption Study 2020 for Police Officers.

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Actuarial Assumptions – (Continued)

- Mortality Rates for retirees, spouses, and disabled retirees follow the Sex Distinct Raw Rates as developed in the MP-2020 Study, with Blue Collar Adjustments. These rates are improved generationally using MP-2020 Improvement Rates.

Single Discount Rate

There is currently no expectation for future returns on OPEB Plan assets since the OPEB obligation is an unfunded obligation. The City does not have a trust dedicated exclusively to the payment of OPEB benefits.

The discount rate used in the determination of the Total OPEB Liability is based on a combination of the Expected Long-Term Rate of Return on Plan Assets and the municipal bond rate. Because the City does not have a trust dedicated exclusively to the payment of OPEB benefits, only the municipal bond rate is used in determining the Total OPEB Liability. The municipal bond rate at April 30, 2024 was 4.07%.

The municipal bond rate assumption is based on the Bond Buyer 20-Bond GO Index. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent to Moody's Aa2 and Standard & Poor's AA.

Sensitivity of Net OPEB Liability to the Single Discount Rate

The following represents the City's net OPEB liability calculated using the above-referenced single discount rate, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (3.07%)	Current Discount Rate (4.07%)	1% Increase (5.07%)
Net OPEB Liability/(Asset)	\$ 1,235,568	1,117,372	1,016,850

The sensitivity of the Net OPEB Liability to the discount rate is based primarily on two factors:

1. The duration of the plan's expected benefit payments. Younger plans with benefit payments further in the future will be more sensitive to changes in the discount rate.
2. The funded percentage of the plan (ratio of the Net Position to the Total OPEB Liability). The higher the funded percentage, the higher the sensitivity to the discount rate.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

Sensitivity of Net OPEB Liability to the Health Care Cost Trend Rate

The following represents the City’s net OPEB liability as well as what the City’s net OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (Varies)	Current Trend Rate (Varies)	1% Increase (Varies)
Net OPEB Liability/(Asset)	<u>\$ 987,357</u>	<u>1,117,372</u>	<u>1,276,707</u>

Current healthcare cost trend rates are as follows:

- Medical trend rates for retirees under 65 decrease from 7.40% to 5.00%.
- Dental trend rates remain flat at 4.00%
- Vision trend rates remain flat at 1.00%
- Life insurance trend rates remain flat at 0.00%

OPEB Expense and Deferred Outflows / Inflows of Resources Related to OPEB

For the year ended April 30, 2024, the City recognized OPEB expense of \$47,323.

At April 30, 2024, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ -</u>	<u>-</u>

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS – (CONTINUED)

OPEB Expense and Deferred Outflows / Inflows of Resources Related to OPEB

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending April 30,	Deferred Outflows	Deferred Inflows
2025	\$ -	-
2026	-	-
2027	-	-
2028	-	-
2029	-	-
Thereafter	-	-
	<u>\$ -</u>	<u>-</u>

NOTE 10: INTER-FUND BALANCES AND TRANSFERS

Interfund Balances

The following is a schedule of interfund receivables and payables as of April 30, 2024:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	\$ -	1,370,385
Airport Development Fund	1,370,385	-
Water and Sewer:		
Operations and Maintenance Fund	-	4,100,000
Capital Improvement Funds	4,100,000	-
Total	<u>\$ 5,470,385</u>	<u>5,470,385</u>

The interfund balances above represent an advance from the General Fund to the Airport Development Fund for capital project financing until grant revenues can be obtained, and a loan from the General Fund for the purposes of paying off the remaining balance of the T-Hangar Capital Lease. The interfund balances in the Water and Sewer Funds represent a loan from the Capital Improvements Fund to the Operations and Maintenance Fund for infrastructure costs.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements
For the Year Ended April 30, 2024

NOTE 10: INTER-FUND BALANCES AND TRANSFERS – (CONTINUED)

Operating Transfers

Below is a summary of operating transfers between funds for the year ended April 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	1,447,789
TIF Fund I	-	1,300,000
Marina TIF Fund	2,300,000	-
Sanitary Landfill Contingency Board Fund	200,000	-
American Recovery Plan Act Fund	-	2,152,403
W&S - Operations and Maintenance Fund	-	1,549,000
W&S - Capital Improvement Fund	10,000	-
W&S - Alternate Revenue Bond and Interest	539,000	-
Airport Operations Fund	3,600,192	-
Garbage Fund	-	200,000
	<u> </u>	<u> </u>
Total	<u>\$ 6,649,192</u>	<u>6,649,192</u>

NOTE 11: LANDFILL CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws require the operator of a landfill to place a final cover on the site when it stops accepting waste and to perform certain monitoring functions at the site for thirty years after closure. The City owns the land upon which a landfill facility is located, comprised of two parcels A and B, which have been developed and operated by Community Landfill Corporation. In 2010 the Grundy County Circuit Court issued an injunction ordering Community Landfill Corporation to cease and desist from accepting any additional waste at the site, legally making the remaining capacity zero cubic yards. Per a stipulation filed with the Illinois Pollution Control Board on September 16, 2022 the City of Morris was required to file an application to close the landfill. Their application for closure was filed with the Illinois Environmental Protection Agency on June 28, 2024.

The last cost estimate for closure post-closure care was approved on April 25, 2007 in the amount of \$17,678,566 as to parcels A & B combined. However, the June 28, 2024 application includes an estimate of the closure and post-closure costs for parcels A & B combined prepared by a qualified engineer of \$15,937,024. As a result, a liability of \$15,937,024 has been recorded for these closure and post-closure costs as of April 30, 2024 on the government-made financial statements. It should be noted that these estimates have not yet been approved by the Illinois Environmental Protection Agency and are subject to change.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 12: RISK MANAGEMENT

The City is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and injuries to employees. The City purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. There have been no significant reductions in coverage from the prior year and since there have been no settlements, they have not exceeded coverage in the past three years.

NOTE 13: CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amount, if any, to be immaterial.

NOTE 14: RISKS AND UNCERTAINTIES

The Pension Trust Funds invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term. Such changes could materially affect the amounts reported in the Statement of Net Position available for benefits.

CITY OF MORRIS, ILLINOIS

Notes to Basic Financial Statements For the Year Ended April 30, 2024

NOTE 15: TAX ABATEMENTS

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments to disclose certain information about their tax abatement agreements. Currently, the City is not participating in any programs operated by other governments but has its own tax abatement programs described below.

- By the authority of 35 ILCS 200/18-184 and 65 ILCS 5/11-15.1-2 (e-5), the City enters into agreements with property owners to abate 100% of the City portion of property taxes on selected property that is the subject of an annexation agreement. The abatement typically remains in effect for a period of 20 years unless the property is developed. Once development of the property is approved, the abatement ceases. Once the abatement is filed, the property taxes are abated by the County Clerk before the issuance of the property tax bill. In exchange for the abatement of property taxes, the City benefits from the additional tax base provided by the annexation, as well as the inclusion of areas for future growth and development. Property taxes abated under this program total \$4,277 for the 2022 levy year and \$2,054 for the 2023 levy year.
- By the authority of 35 ILCS 200/18-165, Section 10 of Article VII of the Constitution of the State of Illinois of 1970 and 5 ILCS 220/1 et seq., the City enters into agreements with property owners to abate a portion of the City portion of property taxes on selected property that is the subject of an approved abatement over a period of 4 years. Once the abatement is filed and the property developed, the property taxes are abated by the County Clerk before the issuance of the property tax bill as follows: year 1 – 75%, year 2 – 50%, year 3 – 25%, year 4 – 0%. In exchange for the abatement of property taxes, the City benefits from the additional tax base provided by the annexation, as well as the inclusion of areas for future growth and development. In the 2022 levy year, property taxes abated and subject to reimbursement under this program were \$0. In the 2023 levy year, property taxes abated and subject to reimbursement under this program were \$0.
- By the authority of 65 ILCS 5/8-11-20, the City enters into economic incentive agreements. Under these agreements, the City, at its discretion, agrees to rebate a percentage of the local portion of any retailers' occupation taxes received that is generated over a finite period of time. Once the agreement is in place and after receipt of the taxes from the State and appropriate documentation/verification procedures, the City rebates the appropriate amounts to the interested party. In exchange for the rebate of retailers' occupation taxes, the City benefits from the creation or retainage of jobs, creation or further development, strengthening of the commercial sector, and enhancement of the tax base. Retailers' occupation taxes subject to reimbursement for the fiscal year ended April 30, 2024 totaled \$1,654,880, and reimbursements of \$1,518,597 were made during the fiscal year.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 16: RESTRICTED NET POSITION

Restricted net position balances reported on the government-wide statement of net position at April 30, 2024 includes the following:

	Governmental Activities	Business-type Activities	Total
Restricted for:			
Transportation/public works	\$ 5,755,860	-	5,755,860
Community development	4,903,513	-	4,903,513
Health & sanitation	77	-	77
Culture & recreation	559,126	-	559,126
Employee retirement costs	383,959	-	383,959
Law enforcement	130,088	-	130,088
Debt Service	-	95,743	95,743
Total restricted	\$ 11,732,623	95,743	11,828,366

See note 1 to the financial statements for a description of each of the fund balance categories shown above.

NOTE 17: FUND BALANCES

Governmental fund balances reported on the fund financial statements at April 30, 2024 includes the following:

	General Fund	Tax Increment Financing Fund I	Marina Tax Increment Financing Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:					
Transportation/public works	\$ -	-	3,655,647	2,100,213	5,755,860
Community development	-	4,903,513	-	-	4,903,513
Health & sanitation	-	-	-	77	77
Culture & recreation	-	150,000	-	409,126	559,126
Employee retirement costs	-	-	-	383,959	383,959
Law enforcement	-	-	-	130,088	130,088
Total restricted	-	5,053,513	3,655,647	3,023,463	11,732,623
Unassigned	8,381,962	-	-	(17,188)	8,364,774
Total fund balances	\$ 8,381,962	5,053,513	3,655,647	3,006,275	20,097,397

See note 1 to the financial statements for a description of each of the fund balance categories shown above.

CITY OF MORRIS, ILLINOIS

**Notes to Basic Financial Statements
For the Year Ended April 30, 2024**

NOTE 18: NOTE RECEIVABLE

On November 7, 2022, the City entered into a TIF District Redevelopment Agreement with TRA Heap Holdings, LLC (TRA) to rehabilitate and renovate KJ McKeon's tavern for the purpose of encouraging economic development within the City. The City granted a loan in the amount of \$36,000 to TRA that will be forgiven over a period of five years commencing one year from the date of the loan provided that TRA meets certain criteria as stated in the agreement. As of April 30, 2024, the amount of the note receivable is \$28,800.

NOTE 19: SUBSEQUENT EVENTS

Management evaluated subsequent events through November 18, 2024, the date the financial statements were available to be issued. No amounts were required to be recorded or disclosed in the financial statements as of April 30, 2024 as a result of events occurring between May 1, 2024 and November 18, 2024.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Taxes:					
Property tax					
General corporate	\$ 620,000	620,000	632,695	12,695	393,016
TIF reimbursement	120,000	120,000	125,018	5,018	118,837
Police protection	71,000	71,000	74,721	3,721	71,892
Police pension	-	-	1,329,878	1,329,878	1,293,285
Township road & bridge	58,500	58,500	62,473	3,973	58,219
Municipal sales tax:					
Municipal sales tax	6,800,000	6,800,000	6,914,133	114,133	6,655,101
Reimbursable sales tax	2,900,000	2,900,000	1,654,880	(1,245,120)	2,818,242
Local use tax	585,000	585,000	562,650	(22,350)	549,310
Total taxes	11,154,500	11,154,500	11,356,448	201,948	11,957,902
Intergovernmental:					
State income tax	2,350,000	2,350,000	2,357,013	7,013	2,179,564
Replacement tax	350,000	350,000	267,025	(82,975)	455,890
Video gaming tax	385,000	385,000	445,497	60,497	410,144
Federal and state grants	20,661	20,661	122,006	101,345	722,124
Total intergovernmental	3,105,661	3,105,661	3,191,541	85,880	3,767,722
Licenses and permits:					
Contractor licenses	34,400	34,400	36,900	2,500	36,400
Liquor licenses	57,205	57,205	55,524	(1,681)	58,710
Other licenses	36,004	36,004	47,469	11,465	39,049
Building permits	32,000	32,000	186,988	154,988	35,853
Demolition permits	300	300	400	100	-
Total licenses and permits	159,909	159,909	327,281	167,372	170,012
Franchise fees:					
Cable TV franchise fees	226,000	226,000	208,329	(17,671)	222,228
Telephone franchise fees	9,785	9,785	10,598	813	9,783
Total franchise fees	235,785	235,785	218,927	(16,858)	232,011
Charges for services:					
Swimming pool	99,950	99,950	112,853	12,903	98,790
Senior van rider fees	675	675	977	302	892
Building inspections	32,000	32,000	68,250	36,250	38,350
Plumbing inspections	14,000	14,000	19,350	5,350	13,750
Electrical inspections	750	750	150	(600)	850
Fire Inspection	-	-	6,175	6,175	-
Public hearing	3,000	3,000	4,500	1,500	4,200
Total charges for services	150,375	150,375	212,255	61,880	156,832
Fines	167,800	167,800	180,753	12,953	181,722
Interest	25,000	25,000	297,867	272,867	52,229
Other revenues:					
Loan Repayment	2,760,000	2,760,000	-	(2,760,000)	-
Miscellaneous revenue	72,900	72,900	114,604	41,704	106,955
Developer reimbursements	150,000	150,000	165,138	15,138	706,666
Other reimbursements	427,760	427,760	571,121	143,361	290,058
Sale of vehicles/equipment/property	1,100	1,100	24,615	23,515	-
Total other revenues	3,411,760	3,411,760	875,478	(2,536,282)	1,103,679
Total revenues	18,410,790	18,410,790	16,660,550	(1,750,240)	17,622,109

**CITY OF MORRIS, ILLINOIS
GENERAL FUND**

**SCHEDULE A-1
(CONTINUED)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Total revenues (carried forward)	\$ 18,410,790	18,410,790	16,660,550	(1,750,240)	17,622,109
Expenditures:					
Current:					
General government	6,119,122	6,119,918	4,293,350	(1,826,568)	5,351,788
Public safety	5,988,761	5,989,510	5,627,839	(361,671)	5,173,003
Transportation & public works	2,959,264	2,959,264	2,681,986	(277,278)	2,554,124
Culture and recreation	1,010,142	1,010,142	677,391	(332,751)	683,316
Employee retirement costs	100,000	100,000	1,334,914	1,234,914	1,349,129
Capital outlay	1,710,600	1,710,600	1,666,132	(44,468)	369,091
Total expenditures	17,887,889	17,889,434	16,281,612	(1,607,822)	15,480,451
Excess of revenue over (under) expenditures	522,901	521,356	378,938	(142,418)	2,141,658
Other financing sources (uses):					
Transfers in	-	-	-	-	6,298
Transfers out	(3,000,000)	(3,000,000)	(1,447,789)	(1,552,211)	-
Total other financing sources (uses)	(3,000,000)	(3,000,000)	(1,447,789)	(1,552,211)	6,298
Changes in fund balance	\$ (2,477,099)	(2,478,644)	(1,068,851)	1,409,793	2,147,956
Fund balance, beginning of year			9,450,813		7,302,857
Fund balance, end of year			8,381,962		9,450,813

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Property tax	\$ 5,650,000	5,650,000	5,966,453	316,453	5,526,565
Interest income	20,000	20,000	429,602	409,602	95,646
Miscellaneous income	100	100	69,023	68,923	-
Total revenues	5,670,100	5,670,100	6,465,078	794,978	5,622,211
Expenditures:					
General government:					
Business Development Director	43,264	43,264	51,461	8,197	52,458
Community Affairs	49,400	49,400	43,560	(5,840)	41,742
Health Insurance	51,075	51,075	39,662	(11,413)	39,448
Dental & Vision	1,875	1,875	1,716	(159)	1,500
Life Insurance	388	388	274	(114)	388
Accounting services	12,000	12,000	-	(12,000)	-
Engineering services	75,000	75,000	52,618	(22,382)	51,188
Legal services	25,000	25,000	22,983	(2,017)	22,128
Other professional services	200,000	200,000	166,536	(33,464)	124,995
Miscellaneous expenses	5,000	5,000	-	(5,000)	-
Total general government	463,002	463,002	378,810	(84,192)	333,847
Community development:					
Loan/grant distributions	500,000	500,000	7,200	(492,800)	-
TIF reimbursement	3,600,000	3,600,000	3,579,872	(20,128)	3,315,939
Total community development	4,100,000	4,100,000	3,587,072	(512,928)	3,315,939
Capital outlay:					
Building improvements	200,000	200,000	-	(200,000)	107,561
Parks improvements	15,000	15,000	33,381	18,381	22,775
Building construction	200,000	200,000	201,428	1,428	165,522
Demolition of buildings	1,000	1,000	-	(1,000)	-
Bulk fuel storage facility	8,000	8,000	731	(7,269)	6,655
Sewerage treatment plant	100	100	-	(100)	-
Swimming pool/tennis courts	5,000	5,000	-	(5,000)	-
Equipment	352,000	352,000	439,278	87,278	223,789
Water system improvement	100	100	-	(100)	-
Water tower improvements	5,000	5,000	-	(5,000)	-
Sanitary sewer systems	5,000	5,000	-	(5,000)	-
Street construction	100,000	100,000	66,143	(33,857)	158,449
Storm sewer construction	5,000	5,000	-	(5,000)	-
Street lighting improvement	250,000	250,000	-	(250,000)	-
Traffic signals	70,000	70,000	-	(70,000)	-
Off street parking	50,000	50,000	-	(50,000)	-
Downtown development	1,000,000	1,000,000	132,620	(867,380)	149,506
Total capital outlay	2,266,200	2,266,200	873,581	(1,392,619)	834,257
Provision for contingency	100,000	100,000	-	(100,000)	-
Total expenditures	6,929,202	6,929,202	4,839,463	(2,089,739)	4,484,043

CITY OF MORRIS, ILLINOIS
TAX INCREMENT FINANCING FUND I

SCHEDULE A-2
(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Excess of revenue over (under) expenditures	(1,259,102)	(1,259,102)	1,625,615	2,884,717	1,138,168
Other financing sources (uses):					
Transfer to TIF III	(250,000)	(250,000)	-	250,000	-
Transfer to Marina TIF Fund	(1,300,000)	(1,300,000)	(1,300,000)	-	(300,000)
Total other financing sources (uses)	(1,550,000)	(1,550,000)	(1,300,000)	250,000	(300,000)
Changes in fund balances	<u>\$ (2,809,102)</u>	<u>(2,809,102)</u>	325,615	<u>3,134,717</u>	838,168
Fund balance, beginning of year			4,727,898		3,889,730
Fund balance, end of year			<u>5,053,513</u>		<u>4,727,898</u>

**CITY OF MORRIS, ILLINOIS
MARINA TAX INCREMENT FINANCING FUND**

**SCHEDULE A-3
(CONTINUED)**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property tax	\$ 29,000	29,000	36,234	7,234	27,473
Interest income	15,000	15,000	44,951	29,951	25,291
Miscellaneous income	35,000	35,000	-	(35,000)	-
Total revenues	79,000	79,000	81,185	2,185	52,764
Expenditures:					
General government:					
Engineering services	25,000	25,000	37,216	12,216	11,322
Other professional services	5,000	5,000	26,913	21,913	9,875
Miscellaneous expenses	1,000	1,000	(31,999)	(32,999)	-
Total general government	31,000	31,000	32,130	1,130	21,197
Environment:					
Legal services	10,000	10,000	28,695	18,695	13,611
CLC closure expenses	100,000	100,000	94,579	(5,421)	84,489
Total environment	110,000	110,000	123,274	13,274	98,100
Community development:					
TIF reimbursement	8,500	8,500	10,870	2,370	8,242
Total community development	8,500	8,500	10,870	2,370	8,242
Capital outlay:					
Land purchases	350,000	350,000	-	(350,000)	-
Building construction	3,010,000	3,010,000	454,742	(2,555,258)	1,680
Demolition of buildings	100,000	100,000	-	(100,000)	-
Sewerage treatment plant	1,000	1,000	-	(1,000)	-
Equipment	5,000	5,000	-	(5,000)	1,415
Water system	1,000	1,000	-	(1,000)	-
Water tower	1,000	1,000	-	(1,000)	-
Sanitary sewer systems	1,000	1,000	-	(1,000)	-
Street construction	1,000	1,000	-	(1,000)	-
Storm sewer construction	1,000	1,000	-	(1,000)	-
Street lighting improvement	1,000	1,000	-	(1,000)	-
Total capital outlay	3,472,000	3,472,000	454,742	(3,017,258)	3,095
Total expenditures	3,621,500	3,621,500	621,016	(3,000,484)	130,634
Excess of revenue over (under) expenditures	(3,542,500)	(3,542,500)	(539,831)	3,002,669	(77,870)
Other financing sources (uses):					
Transfer from water and sewer	1,000,000	1,000,000	1,000,000	-	-
Transfers from TIF I Fund	1,300,000	1,300,000	1,300,000	-	300,000
Total other financing sources (uses)	2,300,000	2,300,000	2,300,000	-	300,000
Changes in fund balances	\$ (1,242,500)	(1,242,500)	1,760,169	3,002,669	222,130
Fund balances, beginning of year			1,895,478		1,673,348
Fund balances, end of year			3,655,647		1,895,478

Required Supplementary Information
 Illinois Municipal Retirement Fund - Regular Plan
 Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios*

Calendar Year Ended December 31,	2023	2022	2021	2020	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 383,505	345,568	336,865	331,547	338,662
Interest on the total pension liability	1,576,950	1,519,372	1,426,104	1,348,997	1,295,073
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	(11,429)	(255,233)	304,327	139,616	(269,929)
Assumption changes	(11,019)	-	-	(80,971)	-
Benefit payments and refunds	(837,595)	(831,373)	(739,010)	(617,605)	(615,350)
Net Change in Total Pension Liability	1,100,412	778,334	1,328,286	1,121,584	748,456
Total Pension Liability - Beginning	21,978,086	21,199,752	19,871,466	18,749,882	18,001,426
Total Pension Liability - Ending (a)	\$ 23,078,498	21,978,086	21,199,752	19,871,466	18,749,882
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 287,636	326,620	386,260	354,118	276,400
Employee contributions	185,970	177,170	156,014	148,652	143,461
Pension Plan Net Investment Income	2,197,997	(2,662,766)	3,284,382	2,453,983	2,686,531
Benefit Payments and Refunds	(837,595)	(831,373)	(739,010)	(617,605)	(615,350)
Other	605,498	(31,737)	114,358	83,598	73,265
Net Change in Plan Fiduciary Net Position	2,439,506	(3,022,086)	3,202,004	2,422,746	2,564,307
Plan Fiduciary Net Position - Beginning	20,669,303	23,691,389	20,489,385	18,066,639	15,502,332
Plan Fiduciary Net Position - Ending (b)	\$ 23,108,809	20,669,303	23,691,389	20,489,385	18,066,639
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ (30,311)	1,308,783	(2,491,637)	(617,919)	683,243
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.13%	94.05%	111.75%	103.11%	96.36%
Covered Valuation Payroll	\$ 4,132,688	3,820,120	3,466,952	3,303,341	3,187,998
Net Pension Liability as a Percentage of Covered Valuation Payroll	-0.73%	34.26%	-71.87%	-18.71%	21.43%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Required Supplementary Information
Illinois Municipal Retirement Fund - Regular Plan
Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios*

Calendar Year Ended December 31,	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY					
Service cost	\$ 313,358	323,518	326,423	332,089	-
Interest on the total pension liability	1,261,016	1,215,723	1,193,706	1,154,965	-
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	(452,470)	89,552	(535,715)	(289,758)	-
Assumption changes	477,752	(498,711)	(39,276)	20,234	-
Benefit payments and refunds	(510,196)	(531,981)	(853,392)	(498,912)	-
Net Change in Total Pension Liability	1,089,460	598,101	91,746	718,618	-
Total Pension Liability - Beginning	16,911,966	16,313,865	16,222,119	15,503,501	-
Total Pension Liability - Ending (a)	\$ 18,001,426	16,911,966	16,313,865	16,222,119	-
PLAN FIDUCIARY NET POSITION					
Employer contributions	\$ 342,092	367,818	361,233	343,572	-
Employee contributions	142,275	155,955	128,200	129,538	-
Pension Plan Net Investment Income	(713,029)	2,445,736	948,357	70,089	-
Benefit Payments and Refunds	(510,196)	(531,981)	(853,392)	(498,912)	-
Other	(609,588)	(151,903)	165,739	(260,055)	-
Net Change in Plan Fiduciary Net Position	(1,348,446)	2,285,625	750,137	(215,768)	-
Plan Fiduciary Net Position - Beginning	16,850,778	14,565,153	13,815,016	14,030,784	-
Plan Fiduciary Net Position - Ending (b)	\$ 15,502,332	16,850,778	14,565,153	13,815,016	-
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 2,499,094	61,188	1,748,712	2,407,103	-
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.12%	99.64%	89.28%	85.16%	N/A
Covered Valuation Payroll	\$ 3,161,676	3,014,910	2,848,846	2,853,592	N/A
Net Pension Liability as a Percentage of Covered Valuation Payroll	79.04%	2.03%	61.38%	84.35%	N/A

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Required Supplementary Information
Illinois Municipal Retirement Fund
Multiyear Schedule of City Contributions***

Calendar Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 287,635	287,636	(1)	4,132,688	6.96%
2022	326,620	326,620	-	3,820,120	8.55%
2021	352,242	386,260	(34,018)	3,466,952	11.14%
2020	354,118	354,118	-	3,303,341	10.72%
2019	276,399	276,400	(1)	3,187,998	8.67%
2018	342,093	342,092	1	3,161,676	10.82%
2017	367,819	367,818	1	3,014,910	12.20%
2016	361,234	361,233	1	2,848,846	12.68%
2015	343,572	343,572	-	2,853,592	12.04%

* Estimated based on contribution rate of 6.96% and covered valuation payroll of \$4,132,688.

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2023 contribution rate:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non-Taxing bodies: 10 year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 20-year closed period Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years; and one employer was financed over 26 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% to 13.75% including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

Required Supplementary Information
 Police Pension Fund
 Multiyear Schedule of Changes in the City's Net Pension Liability and Related Ratios*

	Year Ended April 30,								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY									
Service Cost	\$ 537,216	547,859	542,104	530,667	522,376	521,843	494,988	462,606	527,656
Interest	2,100,993	2,012,683	1,902,377	1,884,373	1,802,222	1,711,831	1,630,422	1,610,743	1,425,267
Changes of benefit terms	-	(13,951)	-	-	101,138	-	-	-	-
Difference between expected and actual experience	207,833	690,965	(761,910)	(301,307)	255,193	139,383	51,603	276,567	(133,043)
Changes of assumptions	-	-	-	-	(93,964)	-	-	(1,144,868)	1,615,620
Benefit payments, including refunds of employee contributions	(1,545,229)	(1,616,549)	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)
Net Change in Total Pension Liability	1,300,813	1,621,007	267,228	957,477	1,438,425	1,358,097	1,163,907	370,306	2,698,567
Total Fiduciary Pension Liability - Beginning	30,604,437	28,983,430	28,716,202	27,758,725	26,320,300	24,962,203	23,798,296	23,427,990	20,729,423
Total Fiduciary Pension Liability - Ending (a)	\$ 31,905,250	30,604,437	28,983,430	28,716,202	27,758,725	26,320,300	24,962,203	23,798,296	23,427,990
PLAN FIDUCIARY NET POSITION									
Contributions - employer	\$ 1,338,214	1,349,129	1,304,327	1,258,390	1,219,594	1,142,652	1,085,076	850,349	695,513
Contributions - employee	261,279	239,791	256,132	226,195	212,683	199,079	188,881	194,448	184,586
Contributions - other	2,840	-	-	-	-	-	-	-	-
Net investment income	1,771,969	635,882	(49,689)	3,611,144	363,699	1,122,081	716,561	1,149,275	103,727
Benefit payments, including refunds of employee contributions	(1,545,229)	(1,616,549)	(1,415,343)	(1,156,256)	(1,148,540)	(1,014,960)	(1,013,106)	(834,742)	(736,933)
Administrative expense	(42,295)	(38,877)	(18,316)	(18,428)	(27,662)	(32,614)	(21,571)	(12,106)	(13,833)
Prior Period Audit Adjustment	-	-	-	-	-	-	-	-	(695,513)
Net Change in Plan Fiduciary Net Position	1,786,778	569,376	77,111	3,921,045	619,774	1,416,238	955,841	1,347,224	(462,453)
Plan Fiduciary Net Position - Beginning	21,182,815	20,613,439	20,536,328	16,615,283	15,995,509	13,883,758	12,927,917	11,580,693	12,043,146
Plan Fiduciary Net Position - Ending (b)	\$ 22,969,593	21,182,815	20,613,439	20,536,328	16,615,283	15,299,996	13,883,758	12,927,917	11,580,693
EMPLOYER'S NET PENSION LIABILITY (ASSET) (a-b)	\$ 8,935,657	9,421,622	8,369,991	8,179,874	11,143,442	11,020,304	11,078,445	10,870,379	11,847,297
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.99%	69.21%	71.12%	71.51%	59.86%	58.13%	55.62%	54.32%	49.43%
Covered Valuation Payroll	\$ 2,396,506	2,421,158	2,339,019	2,265,394	2,135,662	2,008,053	1,990,599	1,927,941	1,887,973
Net Pension Liability as a Percentage of Covered Valuation Payroll	372.86%	389.14%	357.84%	361.08%	521.78%	548.81%	556.54%	563.83%	627.51%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Required Supplementary Information
Police Pension Fund
Multiyear Schedule of City Contributions***

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,334,914	1,338,214	(3,300)	2,396,506	55.84%
2023	1,349,129	1,349,129	-	2,421,158	55.72%
2022	1,304,327	1,304,327	-	2,339,019	55.76%
2021	1,258,390	1,258,390	-	2,265,394	55.55%
2020	1,219,594	1,219,594	-	2,135,662	57.11%
2019	1,142,652	1,142,652	-	2,008,053	56.90%
2018	1,085,076	1,085,076	-	1,990,599	54.51%
2017	850,349	850,349	-	1,927,941	44.11%
2016	695,513	695,513	-	1,887,973	36.84%
2015	658,445	658,445	-	1,931,530	34.09%

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of April 30 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Assumption changes: The High-Quality 20 Year Tax-Exempt General Obligation ("G.O") Bond Rate assumption was changed from 3.53% to 4.07% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index. The choice of index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and 68.

Methods and assumptions used to determine 2023 contribution rate:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay (closed)
Remaining amortization period	100% funded, 13.07 Years (Layered)
Asset valuation method	5-year smoothed market value
Inflation	2.50%
Salary increases	2.25%-11.51%
Investment rate of return	7.00%
Retirement age	Lauterbach & Amen 2020 Illinois police retirement rates capped at age 65
Disability / withdrawal rates	Lauterbach & Amen 2020 Illinois police disability rates
Married participants	80% married; female spouses assumed 3 years younger
Mortality - active members	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved generationally using MP-2019 improvement rates.
Mortality - non-disabled retirees	L&A assumption study for police 2020. These rates are experience-weighted with the raw
Mortality - disabled retirees	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved
Mortality - spouse	Sex-distinct raw rates as developed in the PubS-2010(A) study. These rates are improved
Other information	There were no benefit changes during the year.

Required Supplementary Information
Other Postemployment Benefit Plan
Multiyear Schedule of Changes in the City's Net OPEB Liability and Related Ratios*

	Year Ended April 30,					
	2024	2023	2022	2021	2020	2019
TOTAL OPEB LIABILITY						
Service Cost	\$ 69,765	31,192	37,615	33,711	25,601	23,957
Interest	38,944	56,619	47,255	51,298	64,184	66,845
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	-	(653,185)	-	(5,535)	-	-
Changes of assumptions	(61,386)	(17,769)	(313,885)	100,865	332,251	28,549
Benefit payments, including refunds of employee contributions	(66,339)	(88,565)	(89,248)	(115,655)	(108,367)	(110,249)
Net Change in Total OPEB Liability	(19,016)	(671,708)	(318,263)	64,684	313,669	9,102
Total OPEB Liability - Beginning	1,136,388	1,808,096	2,126,359	2,061,675	1,748,006	1,738,904
Total OPEB Liability - Ending (a)	<u>\$ 1,117,372</u>	<u>1,136,388</u>	<u>1,808,096</u>	<u>2,126,359</u>	<u>2,061,675</u>	<u>1,748,006</u>
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 66,339	88,565	89,248	115,655	108,367	110,249
Contributions - employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(66,339)	(88,565)	(89,248)	(115,655)	(108,367)	(110,249)
Administrative expense	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EMPLOYER'S NET OPEB LIABILITY (ASSET) (a-b)	<u>\$ 1,117,372</u>	<u>1,136,388</u>	<u>1,808,096</u>	<u>2,126,359</u>	<u>2,061,675</u>	<u>1,748,006</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Valuation Payroll	\$ 9,045,094	5,883,303	6,355,506	5,394,079	5,724,584	5,571,371
Net OPEB Liability as a Percentage of Covered Valuation Payroll	12.35%	19.32%	28.45%	39.42%	36.01%	31.37%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

**Required Supplementary Information
Other Postemployment Benefit Plan
Multiyear Schedule of City Contributions***

Fiscal Year Ending April 30,	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	N/A	\$ -	N/A	\$ 6,045,094	0.00%
2023	N/A	-	N/A	5,883,303	0.00%
2022	N/A	-	N/A	6,355,506	0.00%
2021	N/A	-	N/A	5,394,079	0.00%
2020	N/A	-	N/A	5,724,584	0.00%
2019	N/A	-	N/A	5,571,371	0.00%

Note to Schedule:

There is no actuarially determined contribution (ADC) or Employer Contribution in relation to the ADC, as there is no Trust that exists for funding the OPEB liability. However, the City did make contributions from other City resources in the current year in the amount of \$66,339.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MORRIS, ILLINOIS

Notes to Required Supplementary Information For the Year Ended April 30, 2024

NOTE 1: BUDGETS AND BUDGETARY ACCOUNTING

The City adopted the Municipal Budget Act on March 14, 1983. Consequently, the City follows these procedures in establishing the budgetary data reflected in the required supplementary information:

1. Prior to the beginning of the fiscal year, the City Budget Officer submits to the City Council a tentative annual budget ordinance for the fiscal year commencing May 1st. The aforementioned ordinance includes proposed expenditures and the means of financing them. Copies of the tentative annual budget ordinance are made available for public inspection in printed or type-written form in the office of the City Clerk for at least ten days prior to the passage.
2. Prior to May 1st, the annual budget is legally adopted through the passage of an ordinance.
3. The City Budget Officer is authorized to transfer from any budgeted line item with anticipated unexpended funds to any other budgeted line item within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
4. Formal budgetary integration in the form of legally adopted budgets is employed as a management control device for all funds, excluding trust and agency fund types.
5. Budgeted amounts were originally adopted by the City Council on April 17, 2023. The budget was amended on September 16, 2024.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS – MAJOR FUNDS

No major funds had expenditures in excess of appropriations for the year ended April 30, 2024.

NOTE 3: PENSIONS

Police Pension

Changes of Assumptions

For measurement date April 30, 2024, amounts reported as changes of assumptions resulted from the following changes:

- The assumed rate on High Quality 20 Year Tax-Exempt G.O. Bonds was changed from 3.53% to 4.07% for the current year.
- The discount rate used in the determination of the total Pension Liability remained unchanged at 7.00%.
- A comprehensive study of Police Officers and Police Pension Funds in Illinois was performed, resulting in changes to various assumptions to better reflect the future anticipated experience of the Plan.

OTHER SUPPLEMENTARY INFORMATION

CITY OF MORRIS, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1

Combining Balance Sheet
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Total Non-major Governmental Funds		Special Revenue Funds			
			Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Fund	West Route 6 Special Assessment Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 2,958,142	5,163,417	384,103	2,038,454	77	10,821
Receivables:						
Property taxes	881,731	530,066	625,051	-	-	-
Other taxes	96,960	74,493	13,436	50,938	-	-
Fines	636	-	-	-	-	-
Total assets	<u>\$ 3,937,469</u>	<u>5,767,976</u>	<u>1,022,590</u>	<u>2,089,392</u>	<u>77</u>	<u>10,821</u>
<u>Liabilities</u>						
Overdraft payable	\$ 17,188	21,827	-	-	-	-
Accrued expenses	32,275	76,899	13,580	-	-	-
Total liabilities	<u>49,463</u>	<u>98,726</u>	<u>13,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Property taxes levied for subsequent years	881,731	530,066	625,051	-	-	-
Total deferred inflows of resources	<u>881,731</u>	<u>530,066</u>	<u>625,051</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Restricted	3,023,463	5,161,011	383,959	2,089,392	77	10,821
Unassigned	(17,188)	(21,827)	-	-	-	-
Total fund balances	<u>3,006,275</u>	<u>5,139,184</u>	<u>383,959</u>	<u>2,089,392</u>	<u>77</u>	<u>10,821</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 3,937,469</u>	<u>5,767,976</u>	<u>1,022,590</u>	<u>2,089,392</u>	<u>77</u>	<u>10,821</u>

CITY OF MORRIS, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-1
(CONTINUED)

Combining Balance Sheet
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Special Revenue Funds						
	Park and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund	TIF District III Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 95,450	376	297,632	105,174	-	26,055	-
Receivables:							
Property taxes	-	-	-	-	-	-	256,680
Other taxes	-	-	32,586	-	-	-	-
Fines	-	-	-	636	-	-	-
Total assets	<u>\$ 95,450</u>	<u>376</u>	<u>330,218</u>	<u>105,810</u>	<u>-</u>	<u>26,055</u>	<u>256,680</u>
<u>Liabilities</u>							
Overdraft payable	\$ -	-	-	-	-	-	17,188
Accrued expenses	-	376	16,542	1,777	-	-	-
Total liabilities	<u>-</u>	<u>376</u>	<u>16,542</u>	<u>1,777</u>	<u>-</u>	<u>-</u>	<u>17,188</u>
<u>Deferred Inflows of Resources</u>							
Property taxes levied for subsequent years	-	-	-	-	-	-	256,680
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,680</u>
<u>Fund Balances</u>							
Restricted	95,450	-	313,676	104,033	-	26,055	-
Unassigned	-	-	-	-	-	-	(17,188)
Total fund balances (deficits)	<u>95,450</u>	<u>-</u>	<u>313,676</u>	<u>104,033</u>	<u>-</u>	<u>26,055</u>	<u>(17,188)</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 95,450</u>	<u>376</u>	<u>330,218</u>	<u>105,810</u>	<u>-</u>	<u>26,055</u>	<u>256,680</u>

CITY OF MORRIS, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Totals		Special Revenue Funds			
	2024	2023	Illinois Municipal Retirement Fund	Motor Fuel Tax Fund	Sanitary Landfill Contingency Board Fund	West Route 6 Special Assessment Fund
Revenues:						
Property taxes	\$ 640,274	599,939	528,067	-	-	-
Other local taxes	422,611	466,595	69,237	-	-	-
Intergovernmental	647,642	570,981	-	647,642	-	-
Grants	-	1,174,019	-	-	-	-
Fines	42,293	36,163	-	-	-	-
Donations	108,650	95,219	-	-	-	-
Interest income	189,520	76,551	18,783	88,335	4,047	5
Miscellaneous	4,742	4,440	-	-	-	-
Total revenues	2,055,732	3,023,907	616,087	735,977	4,047	5
Expenditures:						
Current:						
General Government	178,109	91,055	-	-	-	-
Public safety	20,284	30,515	-	-	-	-
Transportation and public service	68,272	172,303	-	68,272	-	-
Culture and recreation	420,888	346,107	-	-	-	-
Environment	281	15,057	-	-	-	-
Employee retirement costs	676,188	686,395	676,188	-	-	-
Capital outlay	872,216	1,958,363	-	413,684	369,409	-
Total expenditures	2,236,238	3,299,795	676,188	481,956	369,409	-
Excess (deficiency) of revenues over (under) expenditures	(180,506)	(275,888)	(60,101)	254,021	(365,362)	5
Other financing sources (uses):						
Transfers in	200,000	-	-	-	200,000	-
Transfers out	(2,152,403)	(6,298)	-	-	-	-
Total other financing sources (uses)	(1,952,403)	(6,298)	-	-	200,000	-
Net change in fund balance	(2,132,909)	(282,186)	(60,101)	254,021	(165,362)	5
Fund balance, beginning of year	5,139,184	5,421,370	444,060	1,835,371	165,439	10,816
Fund balance (deficit), end of year	\$ 3,006,275	5,139,184	383,959	2,089,392	77	10,821

CITY OF MORRIS, ILLINOIS
NON-MAJOR GOVERNMENTAL FUNDS

SCHEDULE C-2
(CONTINUED)

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Special Revenue Funds						
	Parks and Civic Improvements Fund	Solid Waste Tax Fund	Motel Tax Fund	Drug Fine and Forfeiture Fund	American Recovery Plan Act Fund	Police Seizure and Forfeiture Fund	TIF District III Fund
Revenues:							
Property taxes	\$ -	-	-	-	-	-	112,207
Other local taxes	-	-	353,374	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Fines	21,798	-	-	14,251	-	6,244	-
Donations	74,900	-	33,750	-	-	-	-
Interest income	4,915	2,327	11,737	4,478	54,888	5	-
Miscellaneous	-	-	3,432	1,310	-	-	-
Total revenues	101,613	2,327	402,293	20,039	54,888	6,249	112,207
Expenditures:							
Current:							
General Government	-	-	70,541	-	-	-	107,568
Public safety	-	-	-	19,181	-	1,103	-
Transportation and public service	-	-	-	-	-	-	-
Culture and recreation	90,140	-	330,748	-	-	-	-
Environment	-	281	-	-	-	-	-
Employee retirement costs	-	-	-	-	-	-	-
Capital outlay	19,560	58,738	9,360	1,465	-	-	-
Total expenditures	109,700	59,019	410,649	20,646	-	1,103	107,568
Excess (deficiency) of revenues over (under) expenditures	(8,087)	(56,692)	(8,356)	(607)	54,888	5,146	4,639
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,152,403)	-	-
Total other financing sources (uses)	-	-	-	-	(2,152,403)	-	-
Net change in fund balance	(8,087)	(56,692)	(8,356)	(607)	(2,097,515)	5,146	4,639
Fund balance, beginning of year	103,537	56,692	322,032	104,640	2,097,515	20,909	(21,827)
Fund balance (deficit), end of year	\$ 95,450	-	313,676	104,033	-	26,055	(17,188)

**CITY OF MORRIS, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND**

SCHEDULE C-3

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Property taxes	\$ 517,000	517,000	528,067	11,067	599,939
Replacement income taxes	116,000	116,000	69,237	(46,763)	125,164
Interest income	200	200	18,783	18,583	8,791
Total revenues	<u>633,200</u>	<u>633,200</u>	<u>616,087</u>	<u>(17,113)</u>	<u>733,894</u>
Expenditures:					
Personnel:					
Social security contribution	246,600	291,297	291,297	-	267,551
Medicare contribution	114,400	114,400	113,683	717	106,350
IMRF contribution	<u>308,675</u>	<u>308,675</u>	<u>271,208</u>	<u>37,467</u>	<u>312,494</u>
Total expenditures	<u>669,675</u>	<u>714,372</u>	<u>676,188</u>	<u>38,184</u>	<u>686,395</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (36,475)</u>	<u>(81,172)</u>	<u>(60,101)</u>	<u>21,071</u>	<u>47,499</u>
Fund balance, beginning of year			<u>444,060</u>		<u>396,561</u>
Fund balance, end of year			<u>383,959</u>		<u>444,060</u>

**CITY OF MORRIS, ILLINOIS
MOTOR FUEL TAX FUND**

SCHEDULE C-4

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Motor fuel tax allotment	\$ 600,000	600,000	622,037	22,037	570,981
High growth allotment	100	100	25,605	25,505	-
Rebuild Illinois grant	10	10	-	(10)	149,778
Interest income	900	900	88,335	87,435	11,608
Total revenues	<u>601,010</u>	<u>601,010</u>	<u>735,977</u>	<u>134,967</u>	<u>732,367</u>
Expenditures:					
Contractual services:					
Engineering	150,000	150,000	68,272	(81,728)	130,070
Commodities:					
Maintenance - streets	40,000	40,000	-	(40,000)	42,233
Maintenance - sidewalks	25,000	25,000	-	(25,000)	-
Capital outlay					
Improvements - streets	1,214,000	1,214,000	413,684	(800,316)	1,631,910
Improvements - bridges	700,000	700,000	-	(700,000)	-
Storm sewer construction	10,000	10,000	-	(10,000)	-
Total expenditures	<u>2,139,000</u>	<u>2,139,000</u>	<u>481,956</u>	<u>(1,657,044)</u>	<u>1,804,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,537,990)</u>	<u>(1,537,990)</u>	254,021	<u>1,792,011</u>	(1,071,846)
Fund balance, beginning of year			<u>1,835,371</u>		<u>2,907,217</u>
Fund balance, end of year			<u>2,089,392</u>		<u>1,835,371</u>

**CITY OF MORRIS, ILLINOIS
SANITARY LANDFILL CONTINGENCY FUND**

SCHEDULE C-5

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Interest income	\$ 100	100	4,047	3,947	1,681
Total revenues	100	100	4,047	3,947	1,681
Expenditures:					
Contractual services:					
Engineering services	1,000	1,000	-	(1,000)	-
Legal service	25,000	25,000	-	(25,000)	-
Other professional services	1,000	1,000	-	(1,000)	-
Capital outlay:					
Landfill closure costs	442,865	442,865	369,409	(73,456)	105,894
Total expenditures	469,865	469,865	369,409	(100,456)	105,894
Excess (deficiency) of revenues over (under) expenditures	(469,765)	(469,765)	(365,362)	104,403	(104,213)
Other financing sources (uses):					
Transfers from Garbage Fund	200,000	200,000	200,000	-	-
Total other financing sources (uses)	200,000	200,000	200,000	-	-
Net change in fund balance	\$ (269,765)	(269,765)	(165,362)	104,403	(104,213)
Fund balance, beginning of year			165,439		269,652
Fund balance, end of year			77		165,439

**CITY OF MORRIS, ILLINOIS
WEST ROUTE 6 SPECIAL ASSESSMENT FUND**

SCHEDULE C-6

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024				2023
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Interest income	\$ 4	4	5	1	4
Total revenues	4	4	5	1	4
Expenditures:					
Other expenditures:					
Engineering services	1,000	1,000	-	(1,000)	-
Improvements	1,000	1,000	-	(1,000)	-
Miscellaneous expense	1,000	1,000	-	(1,000)	-
Total expenditures	3,000	3,000	-	(3,000)	-
Excess (deficiency) of revenues over (under) expenditures	\$ (2,996)	(2,996)	5	3,001	4
Fund balance, beginning of year			10,816		10,812
Fund balance, end of year			10,821		10,816

**CITY OF MORRIS, ILLINOIS
PARK AND CIVIC IMPROVEMENTS FUND**

SCHEDULE C-7

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Park site zoning fees	\$ 5,000	5,000	21,798	16,798	6,000
Donations	15,000	15,000	74,900	59,900	74,552
Miscellaneous income	10	10	-	(10)	-
Interest income	40	40	4,915	4,875	678
Total revenues	<u>20,050</u>	<u>20,050</u>	<u>101,613</u>	<u>81,563</u>	<u>81,230</u>
Expenditures:					
Contractual services:					
Engineering services	10,000	10,000	-	10,000	-
Legal services	1,000	1,000	-	(1,000)	-
Other professional services	40,000	40,000	83,050	43,050	36,046
Printing/publishing	4,000	4,000	1,405	(2,595)	3,130
Other expenditures:					
Miscellaneous donations	5,000	5,000	4,000	(1,000)	2,500
Miscellaneous expense	2,000	2,000	1,685	(315)	175
Capital outlay:					
Land purchase & improv.	50,000	50,000	19,560	(30,440)	12,511
Civic & safety improvements	1,500	1,500	-	(1,500)	225
Building construction	2,000	2,000	-	2,000	1,800
Total expenditures	<u>115,500</u>	<u>115,500</u>	<u>109,700</u>	<u>18,200</u>	<u>56,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (95,450)</u>	<u>(95,450)</u>	<u>(8,087)</u>	<u>87,363</u>	<u>24,843</u>
Fund balance, beginning of year			<u>103,537</u>		<u>78,694</u>
Fund balance, end of year			<u>95,450</u>		<u>103,537</u>

**CITY OF MORRIS, ILLINOIS
SOLID WASTE TAX FUND**

SCHEDULE C-8

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024		Actual	Variance with Final Budget	2023
	Budgeted Amounts				Actual
	Original	Final			Actual
Revenues:					
Interest income	\$ 10	10	2,327	2,317	460
Total revenues	10	10	2,327	2,317	460
Expenditures:					
Contractual services:					
Legal services	-	281	281	-	-
Recycling expenses	-	3,714	-	(3,714)	-
Other expenditures:					
Miscellaneous expense	-	-	-	-	15,057
Capital outlay:					
Landfill well monitoring	58,374	58,374	58,738	364	178,570
Total expenditures	58,374	62,369	59,019	(3,350)	193,627
Excess (deficiency) of revenues over (under) expenditures	\$ (58,364)	(62,359)	(56,692)	5,667	(193,167)
Fund balance, beginning of year			56,692		249,859
Fund balance, end of year			-		56,692

CITY OF MORRIS, ILLINOIS
MOTEL TAX FUND

SCHEDULE C-9

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024		Actual	Variance with Final Budget	2023
	Budgeted Amounts				Actual
	Original	Final			
Revenues:					
Motel taxes	\$ 350,000	350,000	353,374	3,374	341,431
Interest income	3,000	3,000	11,737	8,737	5,252
Sponsorships	30,000	30,000	33,750	3,750	20,667
Miscellaneous income	2,500	2,500	3,432	932	3,347
Total revenues	385,500	385,500	402,293	16,793	370,697
Expenditures:					
General Government:					
Business Dev. Director	49,400	49,400	49,715	315	47,662
Health	25,536	25,536	19,831	(5,705)	20,577
Dental and Vision	1,051	1,051	858	(193)	852
Life	213	213	137	(76)	137
Contractual services:					
Other professional services	2,500	2,500	72,578	70,078	19,000
Printing/publishing	10,000	10,000	6,027	(3,973)	4,786
Other expenditures:					
Sponsorships & donations	145,000	145,000	129,150	(15,850)	137,831
City special events	25,000	25,000	25,771	771	15,999
Tourism expenses	75,000	75,000	66,125	(8,875)	85,217
Miscellaneous expenses	8,000	8,000	3,465	(4,535)	9,114
Home for the Holidays	25,000	25,000	24,668	(332)	23,993
Liberty Art Festival	10,000	10,000	2,839	(7,161)	8,232
Holiday in the Park	2,500	2,500	125	(2,375)	84
Capital outlay:					
Land purchases	1,000	1,000	-	(1,000)	-
Parks improvements	275,000	275,000	5,760	(269,240)	4,563
I&M canal improvements	15,000	15,000	3,600	(11,400)	12,390
Building improvements	100	100	-	(100)	-
Total expenditures	670,300	670,300	410,649	(259,651)	390,437
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (284,800)</u>	<u>(284,800)</u>	(8,356)	<u>276,444</u>	(19,740)
Fund balance, beginning of year			<u>322,032</u>		<u>341,772</u>
Fund balance, end of year			<u>313,676</u>		<u>322,032</u>

**CITY OF MORRIS, ILLINOIS
DRUG FINE AND FORFEITURE FUND**

SCHEDULE C-10

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Drug enforcement fees	\$ 100	100	169	69	-
DUI equipment fees	20,000	20,000	13,116	(6,884)	17,070
Police vehicle equip fees	500	500	80	(420)	100
E-Citation development fees	1,600	1,600	886	(714)	11,228
Interest income	70	70	4,478	4,408	644
Miscellaneous income	200	200	1,310	1,110	1,093
Total revenues	22,470	22,470	20,039	(2,431)	31,856
Expenditures:					
Communications:					
Contractual services:					
Article 36	1,567	1,567	1,481	(86)	1,889
Other expenditures:					
Drug crime enforcement	100	100	-	(100)	1,430
DUI fund	18,000	18,000	10,069	(7,931)	12,099
Miscellaneous expense	11,000	11,000	7,631	(3,369)	14,062
Capital outlay :					
Equipment	1,000	1,000	-	(1,000)	600
E-citation expense	2,000	2,000	1,465	(535)	9,900
Total expenditures	33,667	33,667	20,646	(13,021)	39,980
Excess (deficiency) of revenues over (under) expenditures	(11,197)	(11,197)	(607)	10,590	(8,124)
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(6,298)
Total other financing sources (uses)	-	-	-	-	(6,298)
Net change in fund balance	\$ (11,197)	(11,197)	(607)	10,590	(14,422)
Fund balance, beginning of year			104,640		119,062
Fund balance, end of year			104,033		104,640

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Grant	\$ -	-	-	-	1,024,241
Interest income	15,000	15,000	54,888	39,888	47,429
Total revenues	15,000	15,000	54,888	39,888	1,071,670
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	15,000	15,000	54,888	39,888	1,071,670
Other financing sources (uses):					
Transfer to Airport Fund	(2,100,029)	(2,152,403)	(2,152,403)	-	-
Net change in fund balance	<u>\$ (2,085,029)</u>	<u>(2,137,403)</u>	(2,097,515)	<u>39,888</u>	1,071,670
Fund balance, beginning of year			<u>2,097,515</u>		<u>1,025,845</u>
Fund balance, end of year			<u>-</u>		<u>2,097,515</u>

**CITY OF MORRIS, ILLINOIS
POLICE SEIZURE AND FORFEITURE FUND**

SCHEDULE C-12

**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
Seizure / asset forfeitures	\$ 18,000	18,000	6,244	(11,756)	44
Awards	200	200	-	(200)	-
Interest Income	6	6	5	(1)	4
Total revenues	18,206	18,206	6,249	(11,957)	48
Expenditures:					
Salaries	200	200	-	(200)	-
Professional development	1,500	1,500	-	(1,500)	-
General supplies	1,500	1,500	-	(1,500)	-
Other expenditures	1,600	1,600	-	(1,600)	-
Awarded assets - Drugs	450	450	-	(450)	-
Awarded assets - Art 36	450	450	-	(450)	-
Seizure/asset forfeiture	16,200	16,200	1,103	(15,097)	1,035
Total expenditures	21,900	21,900	1,103	(20,797)	1,035
Excess (deficiency) of revenues over (under) expenditures	\$ (3,694)	(3,694)	5,146	8,840	(987)
Fund balance, beginning of year			20,909		21,896
Fund balance, end of year			26,055		20,909

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024		2023		
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Revenues:					
State grant	\$ 250,000	250,000	-	-	-
Property Taxes	10,000	10,000	112,207	102,207	-
Total revenues	260,000	260,000	112,207	102,207	-
Expenditures:					
Street Construction	500,000	500,000	-	-	-
Engineering services	100	100	55,479	55,379	154
Legal services	110	110	4,428	4,318	7,251
Other professional services	100	100	13,999	13,899	14,294
Loan Distribution	100	100	-	-	-
Building construction improvement #	10	10	-	-	-
TIF agreement	100	100	33,662	-	-
Miscellaneous expenses	10	10	-	(10)	128
Total expenditures	500,530	500,530	107,568	73,586	21,827
Excess (deficiency) of revenues over (under) expenditures	(240,530)	(240,530)	4,639	28,621	(21,827)
Transfers in	250,000	250,000	-	(250,000)	-
Net change in fund balance	\$ 9,470	9,470	4,639	(221,379)	(21,827)
Fund balance (deficit), beginning of year			(21,827)		-
Fund balance (deficit), end of year			(17,188)		(21,827)

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUNDS

SCHEDULE D-1

Combining Statement of Net Position
April 30, 2024
(With Comparative Figures for April 30, 2023)

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Totals	
				2024	2023
<u>Assets</u>					
Cash and cash equivalents	\$ 5,838,104	2,460,047	107	8,298,258	7,036,138
Water and sewer fee receivables (net)	176,402	-	-	176,402	135,915
Due from (to) Capital Improvement Fund	4,100,000	(4,100,000)	-	-	-
Capital assets:					
Land	613,374	-	-	613,374	613,374
Construction in progress	-	-	-	-	4,580,994
Machinery and equipment	1,228,335	123,390	-	1,351,725	1,274,016
Vehicles	466,748	-	-	466,748	466,748
Infrastructure	53,000,159	6,170,097	-	59,170,256	51,811,872
Accumulated depreciation	(24,756,745)	(196,215)	-	(24,952,960)	(23,937,414)
Total assets	40,666,377	4,457,319	107	45,123,803	41,981,643
<u>Deferred Outflows of Resources</u>					
Asset retirement obligation	134,399	-	-	134,399	136,266
Deferred charge on refunding	-	-	109,807	109,807	152,461
	134,399	-	109,807	244,206	288,727
<u>Liabilities</u>					
Accounts payable and accrued expenses	295,384	554,600	-	849,984	283,394
Accrued interest payable	23,056	5,307	14,171	42,534	18,296
Long-term liabilities due within on year:					
Compensated absences	66,496	-	-	66,496	89,293
Line of credit	964,386	-	-	964,386	2,418,188
Alternate revenue bonds	-	-	511,353	511,353	501,371
Long term liabilities due in more than one year:					
Compensated absences	10,485	-	-	10,485	12,178
Line of credit	3,305,845	620,111	-	3,925,956	-
Asset retirement obligation	140,000	-	-	140,000	140,000
Alternate revenue bonds	-	-	1,050,095	1,050,095	1,561,448
Total liabilities	4,805,652	1,180,018	1,575,619	7,561,289	5,024,168
<u>Net Position</u>					
Net investment in capital assets	26,281,640	5,477,161	(1,561,448)	30,197,353	30,328,583
Restricted for:					
Public works capital projects	-	-	-	-	-
Debt service	-	-	95,743	95,743	134,293
Unrestricted	9,713,484	(2,199,860)	-	7,513,624	6,783,326
Total net position	\$ 35,995,124	3,277,301	(1,465,705)	37,806,720	37,246,202

Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Operations and Maintenance Fund	Capital Improvement Fund	Alternate Revenue Bond And Interest Fund	Total	
				2024	2023
Operating revenues:					
Water and sewer sales	\$ 5,513,458	-	-	5,513,458	4,871,654
Infrastructure acre fees	-	1,738,187	-	1,738,187	5,692
Collection fees	30,437	-	-	30,437	-
Tap on fees/meters	127,500	-	-	127,500	70,496
Miscellaneous revenue	41,372	-	-	41,372	54,116
Total operating revenues	5,712,767	1,738,187	-	7,450,954	5,001,958
Operating expenses:					
Personal services	1,562,955	133,091	-	1,696,046	1,613,949
Contractual services	1,336,888	-	-	1,336,888	1,143,515
Commodities	719,258	-	-	719,258	682,192
Capital outlay/maintenance	822,959	334,306	-	1,157,265	695,676
Depreciation	899,318	118,095	-	1,017,413	865,066
Other expenses	195,783	-	-	195,783	84,931
Total operating expenses	5,537,161	585,492	-	6,122,653	5,085,329
Operating income (loss)	175,606	1,152,695	-	1,328,301	(83,371)
Non-operating revenues (expenses):					
Bond service fees	-	-	(350)	(350)	(351)
State and federal grants	25,000	-	-	25,000	-
Rental income	-	-	-	-	6,387
Interest income	224,120	64,583	239	288,942	55,553
Interest expense	-	(5,307)	(76,068)	(81,375)	(85,636)
Total non-operating revenues (expenses)	249,120	59,276	(76,179)	232,217	(24,047)
Income (loss) before transfers	424,726	1,211,971	(76,179)	1,560,518	(107,418)
Transfers in (out)	(1,549,000)	10,000	539,000	(1,000,000)	-
Change in net position	(1,124,274)	1,221,971	462,821	560,518	(107,418)
Net position, beginning of year	37,119,398	2,055,330	(1,928,526)	37,246,202	37,353,620
Net position, end of year	\$ 35,995,124	3,277,301	(1,465,705)	37,806,720	37,246,202

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - OPERATIONS AND MAINTENANCE ACCOUNT

SCHEDULE D-3

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Water and sewer sales	\$ 5,947,548	5,947,548	5,431,224	(516,324)	4,805,754
Waste disposal fees	75,000	75,000	82,234	7,234	65,900
Waste disposal license	50	50	-	(50)	-
Tap-on-fees	50,000	50,000	92,000	42,000	46,500
Meter sales	20,000	20,000	35,500	15,500	23,996
Rental income	6,119	6,119	6,196	77	6,387
Merchant fees	26,000	26,000	24,241	(1,759)	-
Reimbursement	100	100	-	(100)	-
Miscellaneous income	75,000	75,000	41,372	(33,628)	54,116
Total operating revenues	6,199,817	6,199,817	5,712,767	(487,050)	5,002,653
Operating expenses:					
Personal services	1,676,508	1,693,413	1,562,955	(130,458)	1,509,287
Contractual services	1,256,606	1,256,606	1,336,888	80,282	1,143,515
Commodities	1,023,200	1,023,200	719,258	(303,942)	682,192
Capital outlay/maintenance	4,633,307	4,633,307	822,959	(3,810,348)	653,986
Depreciation	-	-	899,318	899,318	812,359
Other expenses	1,056,124	1,056,124	195,783	(860,341)	84,931
Total operating expenses	9,645,745	9,662,650	5,537,161	(4,125,489)	4,886,270
Operating income (loss)	(3,445,928)	(3,462,833)	175,606	3,638,439	116,383
Non-operating income (loss):					
Federal and state grants	2,000	2,000	25,000	23,000	-
Loan proceeds	1,892,357	1,892,357	-	(1,892,357)	-
Interest income	20,000	20,000	224,120	204,120	47,720
Total non-operating income (loss)	1,914,357	1,914,357	249,120	(1,665,237)	47,720
Income (loss) before transfers	(1,531,571)	(1,548,476)	424,726	1,973,202	164,103
Transfers in (out)	(1,549,260)	(1,549,260)	(1,549,000)	260	(548,583)
Change in net position	\$ (3,080,831)	(3,097,736)	(1,124,274)	1,973,462	(384,480)
Net position, beginning of year			37,119,398		37,503,878
Net position, end of year			35,995,124		37,119,398

**CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - CAPITAL IMPROVEMENT ACCOUNT**

SCHEDULE D-4

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating revenues:					
Infrastructure acre fees	\$ 500	500	1,738,187	1,737,687	5,692
Total operating revenues	500	500	1,738,187	1,737,687	5,692
Operating expenses:					
Contractual services:					
Engineering services	300,000	300,000	108,091	(191,909)	104,545
Legal services	5,000	5,000	-	(5,000)	-
Other professional services	5,000	5,000	25,000	20,000	117
Maint. Supplies/Services	1,000	1,000	-	(1,000)	-
Capital outlay:					
STP improvements	1,000	1,000	-	(1,000)	-
Water main improvements	250,000	250,000	6,052	(243,948)	41,690
Sanitary sewer improvements	6,700,000	6,700,000	328,254	(6,371,746)	-
Other expenses - misc.	1,000	1,000	-	(1,000)	-
Depreciation expense	-	-	118,095	118,095	52,707
Total operating expenses	7,263,000	7,263,000	585,492	(6,677,508)	199,059
Operating income	(7,262,500)	(7,262,500)	1,152,695	8,415,195	(193,367)
Nonoperating income (expense):					
Loan Proceeds	6,700,000	6,700,000	-	(6,700,000)	-
Interest expense	(100,000)	(100,000)	(5,307)	94,693	-
Interest income	500	500	64,583	64,083	7,804
Total nonoperating income (expense):	6,600,500	6,600,500	59,276	(6,541,224)	7,804
Transfers in	10,000	10,000	10,000	-	10,000
Change in net position	\$ (652,000)	(652,000)	1,221,971	1,873,971	(175,563)
Net position, beginning of year			2,055,330		2,230,893
Net position, end of year			3,277,301		2,055,330

**CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - BOND & INTEREST ACCOUNT**

SCHEDULE D-5

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenue:	\$ -	-	-	-	-
Operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
Non-operating income (expense):					
Interest income	2	2	239	237	29
Bond principal	(495,000)	(495,000)	-	495,000	-
Bond interest	(43,910)	(43,910)	(76,068)	(32,158)	(85,636)
Bond fees	(350)	(350)	(350)	-	(351)
Total non-operating income (expense)	(539,258)	(539,258)	(76,179)	463,079	(85,958)
Transfers in (out)	539,260	539,260	539,000	(260)	538,583
Change in net position	\$ 2	2	462,821	462,819	452,625
Net position, beginning of year			(1,928,526)		(2,381,151)
Net position, end of year			(1,465,705)		(1,928,526)

**CITY OF MORRIS, ILLINOIS
AIRPORT FUNDS**

SCHEDULE E-1

**Combining Statement of Net Position
April 30, 2024
(With Comparative Figures for April 30, 2023)**

	Airport	Airport	Totals	
	Operations Fund	Development Fund	2024	2023
<u>Assets</u>				
Cash and cash equivalents	\$ 800,995	-	800,995	51,849
Accounts receivable	14,861	-	14,861	10,077
Grants receivable	2,848,000	-	2,848,000	-
Inventories	27,544	-	27,544	64,281
Capital assets:				
Land	3,604,771	4,277,861	7,882,632	4,933,421
Land improvements	58,345	-	58,345	58,345
Machinery and equipment	48,938	66,925	115,863	66,925
Buildings and improvements	1,917,355	476,071	2,393,426	2,373,946
Infrastructure	7,800,769	-	7,800,769	7,800,769
Vehicles	102,500	-	102,500	102,500
Accumulated depreciation	(8,659,488)	(204,866)	(8,864,354)	(8,751,507)
Total assets	8,564,590	4,615,991	13,180,581	6,710,606
<u>Liabilities</u>				
Accounts payable and accrued expenses	94,201	-	94,201	14,961
Due to General Fund	370,385	1,000,000	1,370,385	1,370,385
Long-term liabilities due within one year:				
Compensated absences	24,689	-	24,689	32,975
Lease commitments payable	21,437	-	21,437	20,043
Long term liabilities due in more than one year:				
Compensated absences	2,195	-	2,195	2,205
Lease commitments payable	17,673	-	17,673	5,161
Total liabilities	530,580	1,000,000	1,530,580	1,445,730
<u>Net Position</u>				
Net investment in capital assets	4,463,695	3,615,991	8,079,686	5,188,810
Unrestricted	3,570,315	-	3,570,315	76,066
Total net position	\$ 8,034,010	3,615,991	11,650,001	5,264,876

**CITY OF MORRIS, ILLINOIS
AIRPORT FUNDS**

SCHEDULE E-2

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	Airport	Airport	Total	
	Operations Fund	Development Fund	2024	2023
Operating revenues:				
Facilities rental	\$ 324,332	-	324,332	295,762
Fuel sales	360,683	-	360,683	430,627
Miscellaneous revenue	4,154	-	4,154	-
Total operating revenues	<u>689,169</u>	<u>-</u>	<u>689,169</u>	<u>726,389</u>
Operating expenses:				
Personal services	255,657	-	255,657	256,142
Contractual services	220,774	-	220,774	183,747
Commodities	310,021	-	310,021	344,665
Capital outlay/maintenance	20,688	-	20,688	11,186
Depreciation	99,559	13,288	112,847	103,852
Other expenses	9,635	-	9,635	7,217
Total operating expenses	<u>916,334</u>	<u>13,288</u>	<u>929,622</u>	<u>906,809</u>
Operating income (loss)	<u>(227,165)</u>	<u>(13,288)</u>	<u>(240,453)</u>	<u>(180,420)</u>
Non-operating revenues (expenses):				
State and federal grants	3,006,117	-	3,006,117	-
Interest income	25,241	-	25,241	1,132
Interest expense	(5,972)	-	(5,972)	(1,768)
Total non-operating revenues (expenses)	<u>3,025,386</u>	<u>-</u>	<u>3,025,386</u>	<u>(636)</u>
Income (loss) before transfers	2,798,221	(13,288)	2,784,933	(181,056)
Transfers in (out)	<u>3,600,192</u>	<u>-</u>	<u>3,600,192</u>	<u>-</u>
Change in net position	6,398,413	(13,288)	6,385,125	(181,056)
Net position, beginning of year	<u>1,635,597</u>	<u>3,629,279</u>	<u>5,264,876</u>	<u>5,445,932</u>
Net position, end of year	<u>\$ 8,034,010</u>	<u>3,615,991</u>	<u>11,650,001</u>	<u>5,264,876</u>

CITY OF MORRIS, ILLINOIS
 AIRPORT FUND - AIRPORT OPERATIONS ACCOUNT

SCHEDULE E-3

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating revenues:					
Fuel sales	\$ 425,000	425,000	360,683	(64,317)	430,627
Rent:					
Hangars/land	213,438	213,438	232,456	19,018	204,227
Farmland	68,794	68,794	91,876	23,082	91,535
Miscellaneous income	42,000	42,000	4,154	(37,846)	-
Total operating revenues	749,232	749,232	689,169	(60,063)	726,389
Operating expenses:					
Personnel:					
Salaries:					
Airport Manager	90,000	90,000	86,656	(3,344)	89,776
Airport Maintenance	84,274	84,274	80,808	(3,466)	81,284
Ground Maintenance	49,315	49,315	46,351	(2,964)	45,119
Insurance:					
Health	48,000	48,000	39,917	(8,083)	38,336
Unemployment Insurance	100	100	-	(100)	-
Dental and vision	1,605	1,605	1,378	(227)	1,285
Life	548	548	547	(1)	342
Contractual services:					
Engineering services	125,000	125,000	95,147	(29,853)	97,587
Legal fees	5,000	5,000	21,326	16,326	6,912
Medical services and supplies	1,500	1,500	-	(1,500)	-
Other professional services	70,000	70,000	26,400	(43,600)	24,875
Postage expenses	1,700	1,700	500	(1,200)	500
Telephone	5,000	5,000	3,299	(1,701)	3,801
Printing/publishing	1,000	1,000	664	(336)	156
Dues/subscriptions	4,000	4,000	3,992	(8)	3,680
Training/travel expense	1,800	1,800	356	(1,444)	1,769
Gas	6,000	6,000	7,188	1,188	5,539
Electricity	25,000	25,000	27,439	2,439	18,219
Insurance liability	20,872	20,872	34,463	13,591	20,709
Commodities:					
Maintenance:					
Buildings	20,000	20,000	3,958	(16,042)	14,232
Equipment	12,000	12,000	5,156	(6,844)	9,491
Vehicles	15,000	15,000	451	(14,549)	1,395
Grounds	10,000	10,000	15,550	5,550	370
Office supplies	3,000	3,000	445	(2,555)	625
Operating supplies	2,000	2,000	909	(1,091)	746
Tools and small equipment	500	500	-	(500)	190
Janitorial supplies	1,000	1,000	346	(654)	401
Gasoline/diesel/oil/lubricants	4,000	4,000	1,708	(2,292)	2,964
Aviation fuel	350,000	350,000	260,452	(89,548)	290,219
Hangar Deposits	18,640	18,640	465	(18,175)	-
Fuel sales tax	30,000	30,000	20,581	(9,419)	24,032

CITY OF MORRIS, ILLINOIS
 AIRPORT FUND - AIRPORT OPERATIONS ACCOUNT

SCHEDULE E-3
 (CONTINUED)

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Operating expenses (continued):					
Capital outlay:					
Buildings & improvements	5,000	5,000	-	(5,000)	-
Land purchase & improvements	4,500,000	4,500,000	4,647	(4,495,353)	-
T-hangar construction & improvements	3,000	3,000	842	(2,158)	-
T-hangar loan payments	20,886	20,886	-	(20,886)	-
Equipment purchase/lease	190,000	190,000	4,425	(185,575)	6,186
Vehicle purchase/lease	6,000	6,000	6,000	-	5,000
Runway improvements	150,000	150,000	4,774	(145,226)	-
Other expenses:					
Miscellaneous expenses	2,000	2,000	3,363	1,363	1,666
Bank/credit card fees	6,000	6,000	6,272	272	5,551
Depreciation expense	-	-	99,559	99,559	86,403
Total operating expense	5,889,740	5,889,740	916,334	(4,973,406)	889,360
Operating income (loss)	(5,140,508)	(5,140,508)	(227,165)	4,913,343	(162,971)
Nonoperating income (expense):					
Federal and state grants	2,755,585	2,755,585	3,006,117	250,532	-
Interest income	75	75	25,241	25,166	1,132
Interest expense	(5,972)	(5,972)	(5,972)	-	(1,768)
Total nonoperating income (expense)	2,749,688	2,749,688	3,025,386	275,698	(636)
Income (loss) before transfers	(2,390,820)	(2,390,820)	2,798,221	5,189,041	(163,607)
Transfers:					
To General Fund	(2,760,000)	(2,760,000)	-	2,760,000	(370,385)
From ARPA	2,100,029	2,100,029	2,152,403	52,374	-
From General Fund	3,000,000	3,000,000	1,447,789	(1,552,211)	-
Total transfers	2,340,029	2,340,029	3,600,192	(1,552,211)	-
Change in net position	\$ (50,791)	(50,791)	6,398,413	6,449,204	(163,607)
Net position, beginning of year			1,635,597		1,799,204
Net position, end of year			8,034,010		1,635,597

CITY OF MORRIS, ILLINOIS
 AIRPORT FUND - AIRPORT DEVELOPMENT ACCOUNT

SCHEDULE E-4

Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
 Year Ended April 30, 2024
 (With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating income:					
Miscellaneous income	\$ -	-	-	-	-
Operating expenses:					
Depreciation expense	-	-	13,288	13,288	17,449
Total operating expenses	-	-	13,288	13,288	17,449
Operating income (loss)	\$ -	-	(13,288)	(13,288)	(17,449)
Net position, beginning of year			3,629,279		3,646,728
Net position, end of year			3,615,991		3,629,279

**CITY OF MORRIS, ILLINOIS
GARBAGE FUND**

SCHEDULE F

**Schedule of Revenues, Expenses, and Changes in Fund Net Position - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)**

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Operating revenues:					
Garbage collection fees	\$ 1,401,182	1,401,182	1,380,618	(20,564)	1,319,253
Miscellaneous income	1,000	1,000	-	(1,000)	-
Total operating revenues	1,402,182	1,402,182	1,380,618	(21,564)	1,319,253
Operating expenses:					
Garbage disposal expense	1,344,900	1,352,970	1,352,970	-	1,296,407
Miscellaneous expenses	4,000	4,000	2,670	(1,330)	2,510
Total operating expenses	1,348,900	1,356,970	1,355,640	(1,330)	1,298,917
Operating income (loss)	53,282	45,212	24,978	(20,234)	20,336
Non-operating income (expense):					
Interest income	125	125	13,193	13,068	2,509
Total non-operating income (expense):	125	125	38,171	13,068	2,509
Transfers:					
To Sanitary	(200,000)	(200,000)	(200,000)	-	-
Change in net position	\$ (146,593)	(154,663)	(161,829)	(7,166)	22,845
Net position, beginning of year			317,075		294,230
Net position, end of year			155,246		317,075

CITY OF MORRIS, ILLINOIS
POLICE PENSION TRUST FUND

SCHEDULE G

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	Year Ended April 30,	
	2024	2023
Additions		
Contributions:		
Employer	\$ 1,338,214	1,349,129
Employee	264,118	239,791
Total contributions	1,602,332	1,588,920
Investment earnings:		
Net (decrease) increase in fair value of investments	1,513,050	332,777
Interest and dividends	269,008	350,496
Total investment earnings	1,782,058	683,273
Less investment expenses:		
Investment management fees	(10,088)	(47,391)
Net investment income	1,771,970	635,882
Total additions	3,374,302	2,224,802
Deductions		
Benefits paid	1,494,345	1,446,795
Refunds to participants	50,884	169,754
Administrative expense	42,295	38,877
Total deductions	1,587,524	1,655,426
Change in net position	1,786,778	569,376
Net position, beginning of year	21,182,815	20,613,439
Net position, end of year	\$ 22,969,593	21,182,815

**CITY OF MORRIS, ILLINOIS
CUSTODIAL FUND**

SCHEDULE H-1

**Combining Statement of Net Position
April 30, 2024
(With Comparative Figures for April 30, 2023)**

	Security Deposit Trust Fund Totals	
	2024	2023
<u>Assets</u>		
Cash and cash equivalents	\$ 232,311	151,679
<u>Liabilities</u>		
Security deposits payable	232,311	151,679
Total liabilities	232,311	151,679
<u>Net Position</u>		
Unrestricted	\$ -	-

CITY OF MORRIS, ILLINOIS
 CUSTODIAL FUND

SCHEDULE H-2

Combining Statement of Changes in Assets and Liabilities
 April 30, 2024
 (With Comparative Figures for April 30, 2023)

	Security Deposit Trust Fund Totals	
	2024	2023
Additions:		
Security deposits	\$ 103,500	18,040
Interest income	8,132	1,044
Total additions	111,632	19,084
Deductions:		
Refund of deposits & fees	31,000	83,886
Total deductions	31,000	83,886
Change in assets & liabilities	80,632	(64,802)
Assets & liabilities - beginning	151,679	216,481
Assets & liabilities - ending	\$ 232,311	151,679

**CITY OF MORRIS, ILLINOIS
GENERAL FUND**

SCHEDULE I-1

**Expenditures - Budget and Actual
Year Ended April 30, 2024**

(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Finance and administration:					
Personnel:					
Salaries:					
Mayor	\$ 110,689	110,689	112,101	1,412	112,257
Liquor Commissioner	10,000	10,000	10,121	121	10,027
Community Affairs	43,264	43,264	43,846	582	47,295
Mayor's Secretary	73,425	73,425	76,979	3,554	72,355
Aldermen	48,000	48,000	47,308	(692)	43,200
Aldermen - Committee Mtg	6,500	6,500	3,300	(3,200)	3,525
City Clerk	96,422	96,422	97,652	1,230	97,788
Budget Officer	17,500	17,500	17,712	212	17,548
Treasurer	3,500	3,500	3,500	-	3,500
Deputy Treasurer	83,200	83,200	84,280	1,080	86,966
Building and Zoning Officer	97,081	97,081	98,442	1,361	94,593
Director of Public Works	115,076	115,076	116,238	1,162	113,849
Public Works Secretary	55,937	55,937	57,041	1,104	53,870
Custodian	43,048	43,048	43,801	753	40,943
Fire Marshall	37,856	37,856	38,104	248	36,400
Deputy City Clerk F&A	75,628	75,628	78,584	2,956	74,577
Human Resource Admin.	31,556	31,556	48,256	16,700	31,362
Summer Clerical	12,000	12,000	8,929	(3,071)	6,585
Zoning Board of Appeals	2,000	2,000	650	(1,350)	575
Planning Commission	2,000	2,000	1,020	(980)	1,590
Police Commission	2,000	2,000	700	(1,300)	675
Insurance:					
Health	450,000	450,000	293,657	(156,343)	325,931
Dental and vision	20,000	20,000	16,199	(3,801)	14,537
Life	5,000	5,000	4,110	(890)	4,261
Unemployment	1,000	1,000	-	(1,000)	-
Contractual services:					
Accounting service	35,000	35,000	24,601	(10,399)	19,794
Engineering service	100,000	100,000	74,142	(25,858)	43,224
Legal service	300,000	300,000	188,266	(111,734)	268,255
Medical service & supplies	1,000	1,000	-	(1,000)	-
Data processing/internet	70,000	70,000	50,986	(19,014)	42,904
Other professional services	100,000	100,000	54,317	(45,683)	60,358
Building inspector fee	25,000	25,000	31,050	6,050	27,485
Plumbing inspector fee	10,000	10,000	11,500	1,500	8,255
Electrical inspector fee	1,000	1,000	-	(1,000)	-
Postage and meter expense	12,000	12,000	2,966	(9,034)	3,480
Telephone	50,000	50,000	57,753	7,753	45,859
Cell phone	1,700	1,700	1,634	(66)	1,370
Printing/publishing	20,000	20,000	10,360	(9,640)	13,684
Dues/subscriptions	60,000	60,000	46,843	(13,157)	47,277
Training/travel expense	6,500	6,500	4,345	(2,155)	3,194
Codification services	20,000	20,000	10,897	(9,103)	10,650
Building & zoning expense	3,500	3,500	314	(3,186)	3,086
Police/fire commission	25,000	25,000	16,877	(8,123)	19,183
Gas	1,000	1,000	-	(1,000)	-
Fire Marshall	15,000	15,000	6,774	(8,226)	-
Insurance	235,000	235,000	311,778	76,778	214,195
Copier machine rental	7,000	7,000	4,278	(2,722)	6,679

Expenditures - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024				2023
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Finance and administration (continued):					
Commodities:					
Maintenance:					
Building	\$ 50,000	50,000	38,207	(11,793)	44,130
Equipment	7,500	7,500	2,163	(5,337)	5,325
Grounds	10,000	10,000	9,722	(278)	6,660
Office supplies	20,000	20,000	5,429	(14,571)	7,149
Operating supplies	3,000	3,000	4,319	1,319	2,356
Janitorial supplies	4,000	4,000	6,904	2,904	3,823
Books and periodicals	100	100	-	(100)	-
Capital outlay:					
Equipment	10,000	10,000	-	(10,000)	-
Furniture	10,000	10,000	9,752	(248)	791
Computer equipment	70,000	70,000	24,801	(45,199)	19,428
Other expenditures:					
Replacement tax disbursement	-	-	-	-	70,543
Sales tax reimbursement	2,600,000	2,600,000	1,519,695	(1,080,305)	2,629,843
Memorials	100	100	375	275	-
Donations	402,000	402,000	468,111	66,111	421,564
Bank expense	-	796	796	-	-
Miscellaneous expense	366,440	366,440	12,673	(353,767)	13,331
Total finance and administration	6,094,522	6,095,318	4,315,158	(1,780,160)	5,358,084
Police department:					
Personnel:					
Salaries:					
Chief of Police	131,574	131,574	133,832	2,258	126,305
Deputy Chief	118,456	118,456	120,501	2,045	115,069
Sergeants	424,133	424,133	498,155	74,022	420,908
Patrol Persons	1,901,653	1,901,653	1,903,733	2,080	1,687,306
Part-time Patrol Persons	85,000	85,000	68,236	(16,764)	60,380
DC Investigations	111,141	111,141	28,824	(82,317)	109,569
Police FOIA Officer	7,500	7,500	7,622	122	7,294
Police Secretary	60,753	60,753	62,104	1,351	58,681
Admin. Assistant Investigation	24,298	24,298	-	(24,298)	1,666
Computer Operator	41,880	41,880	42,704	824	41,231
Ordinance Enforcer	54,296	54,296	55,520	1,224	52,721
Community Service	-	749	749	-	-
School Crossing Guards	75,114	75,114	70,979	(4,135)	68,883
Records and Technology	77,991	77,991	79,545	1,554	75,410
Sick Time/Benefit Payout	100	100	-	(100)	67,717
Overtime/Holiday Pay	529,523	529,523	589,846	60,323	565,996
Insurance Benefits:					
Health	1,228,561	1,228,561	967,231	(261,330)	981,348
Dental and vision	51,250	51,250	39,861	(11,389)	39,840
Life	10,875	10,875	9,190	(1,685)	8,630
Unemployment	-	-	-	-	-
Deferred compensation	12,000	12,000	12,183	183	11,617
Pension contributions	100,000	100,000	1,334,914	1,234,914	1,349,129
Uniform expense	34,000	34,000	29,425	(4,575)	33,904
Contractual services:					
Legal fees	50,000	50,000	56,818	6,818	31,910
First responder wellness check mandate	2,000	2,000	1,800	(200)	1,800
Medical service - arrestees	3,500	3,500	-	(3,500)	-
Data processing service	130,000	130,000	120,350	(9,650)	93,396
Dispatcher agreement	445,000	445,000	441,525	(3,475)	253,799
Mobile data terminal internet service	10,000	10,000	8,768	(1,232)	8,329
Postage and meter expense	4,000	4,000	1,500	(2,500)	1,527
Cell phone	13,500	13,500	7,881	(5,619)	4,079
Printing/publishing	5,200	5,200	8,542	3,342	4,967

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Police department (continued):					
Contractual services (continued):					
Dues/subscriptions	\$ 9,000	9,000	7,151	(1,849)	6,696
Training/travel expense	65,000	65,000	41,082	(23,918)	35,703
Tuition reimbursement	3,000	3,000	-	(3,000)	-
Investigation expense	32,153	32,153	32,057	(96)	18,698
Booking/processing expense	4,000	4,000	2,054	(1,946)	555
Copier machine rental	4,000	4,000	4,076	76	4,937
Commodities:					
Maintenance:					
Building	20,000	20,000	15,531	(4,469)	10,493
Equipment	6,500	6,500	5,240	(1,260)	4,745
Vehicles	32,000	32,000	33,381	1,381	32,763
Communication equipment	10,000	10,000	2,892	(7,108)	5,219
Office supplies	7,000	7,000	4,036	(2,964)	6,391
Operating supplies	3,500	3,500	2,732	(768)	2,737
Janitorial supplies	10	10	-	(10)	2,972
Gas / oil / lubricants	110,000	110,000	73,781	(36,219)	83,320
Awards	1,000	1,000	149	(851)	508
School crossing guard supplies	300	300	228	(72)	28
Books and periodicals	500	500	753	253	684
Capital outlay:					
Equipment	76,500	76,500	71,567	(4,933)	58,328
Vehicles	122,000	122,000	123,309	1,309	101,190
Furniture	2,500	2,500	2,464	(36)	1,566
Communication equipment	30,000	30,000	17,732	(12,268)	21,973
Computer equipment	40,000	40,000	16,968	(23,032)	20,693
Other expenditures:					
Miscellaneous expense	12,500	12,500	17,768	5,268	6,740
Animal control	20,000	20,000	17,504	(2,496)	15,532
M.A.N.S. expense	5,000	5,000	-	(5,000)	-
Total police department	6,359,761	6,360,510	7,194,793	834,283	6,725,882
Streets and alleys:					
Personnel:					
Salaries:					
Superintendent of Streets	103,695	103,695	106,440	2,745	101,194
Mechanic	84,278	84,278	83,624	(654)	82,723
Class A Operator	337,125	337,125	334,734	(2,391)	324,984
Class B Operator	316,244	316,244	316,818	574	82,102
Class A Laborer	150,218	150,218	235,151	84,933	441,298
Class B Laborer	214,594	214,594	211,068	(3,526)	188,208
Overtime	35,000	35,000	32,412	(2,588)	30,094
Insurance:					
Health	637,000	637,000	490,885	(146,115)	499,246
Dental and vision	24,770	24,770	20,366	(4,404)	19,359
Life	6,040	6,040	4,606	(1,434)	4,765
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	10,050	10,050	10,316	266	8,050

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024				2023
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Streets and alleys (continued):					
Contractual services:					
Engineering services	\$ 10,000	10,000	72,005	62,005	39,210
Medical service and testing	3,000	3,000	3,884	884	2,504
Other professional services	160,000	160,000	143,219	(16,781)	117,695
Cell phone	2,200	2,200	1,007	(1,193)	693
Printing/publishing	300	300	324	24	55
Training/travel expenses	3,000	3,000	845	(2,155)	140
Street light electricity	130,000	130,000	125,553	(4,447)	114,896
Rentals	10,000	10,000	1,031	(8,969)	2,032
Commodities:					
Maintenance:					
Buildings	10,000	10,000	5,101	(4,899)	2,812
Equipment	50,000	50,000	32,408	(17,592)	42,169
Vehicles	40,000	40,000	28,399	(11,601)	39,811
Streets	50,000	50,000	23,410	(26,590)	27,587
Traffic signals	232,000	232,000	180,592	(51,408)	95,618
Tree trimming	8,000	8,000	-	(8,000)	-
Street control	75,000	75,000	5,828	(69,172)	54,065
Street lights	60,000	60,000	48,455	(11,545)	97,586
Operating supplies	35,000	35,000	34,738	(262)	24,691
Tools and small equipment	15,000	15,000	13,345	(1,655)	3,785
Janitorial supplies	3,500	3,500	2,323	(1,177)	763
Gas / oil / lubricants	110,000	110,000	91,062	(18,938)	83,095
Capital outlay:					
Equipment	45,000	45,000	37,800	(7,200)	29,189
Vehicles	202,000	202,000	190,843	(11,157)	-
Street construction	150,000	150,000	44,255	(105,745)	36,487
Bridge construction	500,000	500,000	598,620	98,620	-
Storm sewer construction	20,000	20,000	669	(19,331)	1,159
Sidewalk construction	10,000	10,000	30,653	20,653	18,647
Street signs	18,000	18,000	28,474	10,474	11,319
Street lighting	25,000	25,000	-	(25,000)	6,128
Communication equipment	10,000	10,000	6,775	(3,225)	6,455
Other expenditures - misc.	12,000	12,000	5,499	(6,501)	5,719
Total streets and alleys	3,919,014	3,919,014	3,603,537	(315,477)	2,646,333
Parks department:					
Personnel:					
Salaries:					
Parks Leadsman	77,168	77,168	77,689	521	73,861
Asst. Parks Leadsman	75,130	75,130	75,472	342	72,989
Parks Laborer	143,117	143,117	142,908	(209)	138,194
Summer Maintenance	5,000	5,000	40,673	35,673	24,806
Overtime	65,000	65,000	3,501	(61,499)	3,593
Insurance:					
Health	238,509	238,509	92,431	(146,078)	96,128
Dental and vision	5,200	5,200	3,883	(1,317)	3,857
Life	1,025	1,025	821	(204)	821
Unemployment	1,000	1,000	-	(1,000)	-
Deferred compensation	2,750	2,750	2,800	50	2,450

CITY OF MORRIS, ILLINOIS
GENERAL FUND

SCHEDULE I-1
(CONTINUED)

Expenditures - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Parks department (continued):					
Contractual services:					
Engineering services	\$ 50,000	50,000	26,553	(23,447)	9,602
Electricity	15,000	15,000	10,575	(4,425)	14,327
Rentals	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Building	8,500	8,500	6,874	(1,626)	7,336
Equipment	15,000	15,000	8,896	(6,104)	11,933
Vehicles	5,000	5,000	782	(4,218)	437
Grounds	10,000	10,000	6,225	(3,775)	1,265
Tennis courts	8,000	8,000	-	(8,000)	6,218
Baseball fields	20,000	20,000	15,981	(4,019)	52,693
Operating supplies	10,000	10,000	3,637	(6,363)	4,870
Tools and small equipment	8,000	8,000	-	(8,000)	-
Janitorial supplies	3,000	3,000	762	(2,238)	836
Gas / oil / lubricants	20,000	20,000	9,303	(10,697)	14,412
Capital outlay:					
Park improvements	325,000	325,000	435,892	110,892	7,829
Equipment	32,000	32,000	25,472	(6,528)	21,855
Vehicles	1,000	1,000	-	(1,000)	-
Other expenditures - misc.	3,000	3,000	2,100	(900)	95
Total parks department	1,148,399	1,148,399	993,230	(155,169)	570,407
Swimming Pool:					
Personnel:					
Salaries:					
Management	31,943	31,943	29,736	(2,207)	29,544
Summer employees	103,000	103,000	75,657	(27,343)	68,601
Red cross	11,500	11,500	4,264	(7,236)	3,224
Contractual services:					
Engineering service	1,000	1,000	-	(1,000)	-
Printing/publishing	1,000	1,000	203	(797)	132
Dues/subscriptions	1,000	1,000	300	(700)	585
Gas	1,000	1,000	588	(412)	596
Commodities:					
Maintenance	5,000	5,000	5,402	402	4,603
Operating supplies	4,000	4,000	2,809	(1,191)	2,488
Tools and small equipment	1,500	1,500	192	(1,308)	78
Janitorial supplies	800	800	12	(788)	195
Chemicals	30,000	30,000	14,382	(15,618)	14,298
Capital outlay:					
Pool improvements	4,000	4,000	86	(3,914)	-
Equipment	7,500	7,500	-	(7,500)	6,054
Furniture Purchase	8,000	8,000	-	(8,000)	7,660
Other expenditures:					
Miscellaneous	5,000	5,000	1,190	(3,810)	3,537
Concession stand	15,000	15,000	10,790	(4,210)	7,052
Total swimming pool	231,243	231,243	145,611	(85,632)	148,647

**CITY OF MORRIS, ILLINOIS
GENERAL FUND**

**SCHEDULE I-1
(CONTINUED)**

**Expenditures - Budget and Actual
Year Ended April 30, 2024**

(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Senior Van:					
Personnel - salaries	\$ 13,000	13,000	13,042	42	13,166
Contractual - printing	250	250	-	(250)	-
Commodities:					
Maintenance	1,500	1,500	821	(679)	288
Gas / oil / lubricants	4,500	4,500	2,619	(1,881)	3,721
Capital outlay - vehicles	100	100	-	(100)	-
Other expenditures - misc.	1,000	1,000	56	(944)	-
Total senior van	20,350	20,350	16,538	(3,812)	17,175
Business Development:					
Printing/Publications	-	-	-	-	-
Dues and Subscriptions	2,500	2,500	981	(1,519)	-
Training/Traveling Exp	3,000	3,000	554	(2,446)	203
Office Supply/Equipment/Lease	1,000	1,000	29	(971)	20
Equipment Purchase/Lease	100	100	-	(100)	-
Furniture Purchase	4,000	4,000	5,250	1,250	-
Computer Equipment & Program Purchase	1,000	1,000	10	(990)	-
Miscellaneous Expense	3,000	3,000	5,921	2,921	657
Total Business Development	14,600	14,600	12,745	(1,855)	880
Provision for Contingencies	100,000	100,000	-	(100,000)	13,043
Total expenditures	17,887,889	17,889,434	16,281,612	(1,607,822)	15,480,451
Transfers to (from) other funds:					
Drug Fine and Forfeiture	-	-	-	-	(6,298)
Airport Operations	3,000,000	3,000,000	1,447,789	(1,552,211)	-
Total transfers to (from) other funds	3,000,000	3,000,000	1,447,789	(1,552,211)	(6,298)
Total General Fund	20,887,889	20,889,434	17,729,401	(3,160,033)	15,474,153
Summary by Function:					
Current:					
General government	6,119,122	6,119,918	4,293,350	(1,826,568)	5,351,788
Public safety	5,988,761	5,989,510	5,627,839	(361,671)	5,173,003
Public works	2,959,264	2,959,264	2,681,986	(277,278)	2,554,124
Culture and recreation	1,010,142	1,010,142	677,391	(332,751)	683,316
Employee retirement costs	100,000	100,000	1,334,914	1,234,914	1,349,129
Capital outlay	1,710,600	1,710,600	1,666,132	(44,468)	369,091
Total expenditures	17,887,889	17,889,434	16,281,612	(1,607,822)	15,480,451
Transfers to (from) other funds	3,000,000	3,000,000	1,447,789	(1,552,211)	(6,298)
Total General Fund	\$ 20,887,889	20,889,434	17,729,401	(3,160,033)	15,474,153

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2

Expenses - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Administrative department:					
Personal services:					
Salaries:					
Senior Water Clerk	\$ 31,556	31,556	31,757	201	31,491
Water Clerk	46,542	46,542	46,895	353	45,428
Human Resource Admin	-	16,905	16,905	-	-
Insurance:					
Health	51,772	51,772	39,917	(11,855)	41,890
Dental and vision	1,452	1,452	1,378	(74)	1,374
Life	685	685	547	(138)	547
Unemployment	100	100	-	(100)	-
Contractual services:					
Accounting service	13,425	13,425	17,617	4,192	15,925
Legal service	10,000	10,000	17,067	7,067	10,154
Technology and internet	5,000	5,000	-	(5,000)	-
Postage and meter expense	20,000	20,000	14,729	(5,271)	22,425
Telephone and alarms	38,000	38,000	40,380	2,380	36,548
Cell phone	5,200	5,200	4,048	(1,152)	3,682
Printing and publishing	9,000	9,000	4,765	(4,235)	4,590
Dues and subscriptions	2,000	2,000	226	(1,774)	148
Training and travel expense	100	100	-	(100)	-
Gas	20,000	20,000	29,583	9,583	20,654
Insurance	250,131	250,131	309,430	59,299	210,787
Rentals	1,000	1,000	-	(1,000)	-
Copier Machine Rental/Expenses	1,000	1,000	-	(1,000)	-
Commodities:					
Office supplies	11,000	11,000	3,270	(7,730)	3,377
Capital outlay:					
Computers and programs	50,000	50,000	19,562	(30,438)	22,205
Other expenses:					
Fees	26,000	26,000	33,070	7,070	30,137
Water refunds	2,000	2,000	16,142	14,142	-
Miscellaneous expenses	4,000	4,000	673	(3,327)	1,353
Total administrative department	599,963	616,868	647,961	31,093	502,715
Water department:					
Personal services					
Salaries:					
Water foreman	103,809	103,809	123,112	19,303	108,833
Assistant foreman	92,621	92,621	91,197	(1,424)	93,941
Class A	84,282	84,282	82,922	(1,360)	75,057
Class B	153,920	153,920	189,413	35,493	97,507
Class C	150,388	150,388	101,831	(48,557)	142,766
Class D	1,000	1,000	-	(1,000)	46,935
Overtime	30,000	30,000	34,963	4,963	26,949
Summer	5,000	5,000	9,900	4,900	-
Insurance:					
Health	240,000	240,000	181,307	(58,693)	197,754
Dental and vision	9,560	9,560	7,162	(2,398)	7,650
Life	2,400	2,400	1,892	(508)	1,892
VALIC - employer portion	2,200	2,200	2,883	683	1,650

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2
(CONTINUED)

Expenses - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Water department (continued):					
Contractual services:					
Engineering services	\$ 150,000	150,000	104,684	(45,316)	255,566
Medical service and supplies	500	500	181	(319)	1,820
Technology	30,000	30,000	12,399	(17,601)	12,058
JULIE locate service	7,500	7,500	21,378	13,878	10,094
Training and travel expense	10,000	10,000	4,487	(5,513)	8,379
Electricity	185,000	185,000	291,678	106,678	142,195
Rental equipment	5,000	5,000	1,031	(3,969)	710
Copier machine rental	250	250	592	342	1,349
Commodities:					
Maintenance:					
Equipment	35,000	35,000	43,495	8,495	27,157
Meters	15,000	15,000	3,483	(11,517)	7,051
Vehicles	15,000	15,000	5,995	(9,005)	10,179
WTP and building	15,000	15,000	7,042	(7,958)	4,199
Water towers	15,000	15,000	(1,962)	(16,962)	14,303
Well houses	35,000	35,000	142	(34,858)	97
Water mains	40,000	40,000	60,525	20,525	20,953
Pumping equipment	20,000	20,000	5,441	(14,559)	5,891
Grounds	5,000	5,000	-	(5,000)	389
Office supplies & equipment	3,000	3,000	396	(2,604)	247
Operating supplies	15,000	15,000	10,937	(4,063)	8,389
Lab Testing, Samples & Supplies	12,000	12,000	7,661	(4,339)	6,190
Tools and small equipment	15,000	15,000	-	(15,000)	796
Janitorial supplies	1,000	1,000	412	(588)	536
Gas / oil / lubricant	37,000	37,000	24,520	(12,480)	28,262
Chemicals	70,000	70,000	59,989	(10,011)	48,140
Sodium chloride	350,000	350,000	271,854	(78,146)	215,786
Print & non-print materials	10,000	10,000	-	(10,000)	-
Capital outlay:					
WTP improvements	600,000	600,000	205,841	(394,159)	6,667
Equipment	142,000	142,000	47,085	(94,915)	40,923
Meters	400,000	400,000	350,543	(49,457)	360,202
Valves and hydrants	40,000	40,000	16,514	(23,486)	9,960
Hydra-stop equipment	8,000	8,000	-	(8,000)	373
Pumping equipment	35,000	35,000	-	(35,000)	-
Vehicles	75,000	75,000	39,705	(35,295)	-
Water main extensions	35,000	35,000	-	(35,000)	18,180
Water well construction	229,950	229,950	40,002	(189,948)	140,122
Water system control	5,000	5,000	-	(5,000)	-
Water towers	1,942,357	1,942,357	64,397	(1,877,960)	53,390
Furniture	3,000	3,000	-	(3,000)	-
Other expenses:					
Water analysis	13,000	13,000	10,049	(2,951)	4,692
Miscellaneous expenses	5,000	5,000	3,355	(1,645)	2,855
Loan Principle	809,124	809,124	-	(809,124)	-
Loan Interest	16,000	16,000	100,552	84,552	14,671
Total water department	6,329,861	6,329,861	2,640,985	(3,688,876)	2,283,705

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2
(CONTINUED)

Expenses - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			Variance with Final Budget	2023
	Budgeted Amounts		Actual		Actual
	Original	Final			
Sewer department:					
Contractual services:					
Engineering services	\$ 75,000	75,000	25,314	(49,686)	84,677
Rental equipment	1,000	1,000	-	(1,000)	-
Commodities:					
Maintenance:					
Equipment	15,000	15,000	-	(15,000)	2,587
Sewer machine	10,000	10,000	6,251	(3,749)	4,290
Lift stations	22,000	22,000	18,557	(3,443)	6,698
Sewer mains	75,000	75,000	1,000	(74,000)	1,132
Capital outlay:					
Equipment	1,000	1,000	-	(1,000)	-
Manholes and grates	25,000	25,000	-	(25,000)	1,964
Sewer extensions	1,000	1,000	-	(1,000)	-
Lift stations	700,000	700,000	-	(700,000)	-
Other expenses	5,000	5,000	71	(4,929)	723
Total sewer department	930,000	930,000	51,193	(878,807)	102,071
Sewer treatment department:					
Personal services:					
Salaries:					
Operator	123,800	123,800	110,430	(13,370)	99,283
Operator 1	84,282	84,282	35,086	(49,196)	81,438
Lab assistant T4	173,250	173,250	202,356	29,106	151,633
Lab assistant T	64,334	64,334	63,313	(1,021)	63,666
Summer maintenance	3,000	3,000	-	(3,000)	-
Overtime	1,000	1,000	15,588	14,588	15,356
Insurance:					
Health	206,700	206,700	161,552	(45,148)	165,353
Dental and vision	8,095	8,095	6,037	(2,058)	6,476
Life	1,710	1,710	1,379	(331)	1,368
VALIC - employer portion	3,050	3,050	3,233	183	3,050
Contractual services:					
Engineering services	60,000	60,000	-	(60,000)	4,202
Medical service & supplies	1,500	1,500	68	(1,432)	222
Technology	6,000	6,000	4,511	(1,489)	4,509
Training/travel expense	4,000	4,000	3,300	(700)	3,325
Electricity - central	100,000	100,000	141,156	41,156	77,327
Electricity - NE STP	120,000	120,000	179,295	59,295	109,514
Sludge disposal expense	125,000	125,000	108,482	(16,518)	102,236
Copier machine rental	1,000	1,000	487	(513)	419
Commodities:					
Maintenance:					
Equipment	50,000	50,000	113,121	63,121	190,076
Vehicles	15,000	15,000	11,994	(3,006)	6,829
STP	22,000	22,000	9,835	(12,165)	25,771
Grounds	2,000	2,000	407	(1,593)	53

CITY OF MORRIS, ILLINOIS
WATER AND SEWER FUND - OPERATIONS & MAINTENANCE ACCOUNT

SCHEDULE I-2
(CONTINUED)

Expenses - Budget and Actual
Year Ended April 30, 2024
(With Comparative Figures for the Year Ended April 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Sewer treatment department (continued):					
Commodities (continued):					
Office supplies and equip.	\$ 12,000	12,000	264	(11,736)	188
Operating supplies	6,000	6,000	481	(5,519)	534
Lab testing samples	20,000	20,000	17,463	(2,537)	14,231
Tools and small equipment	6,000	6,000	1,934	(4,066)	518
Janitorial supplies	1,200	1,200	905	(295)	733
Gasoline/diesel/oil/lubricants	40,000	40,000	19,840	(20,160)	20,024
Chemicals	8,000	8,000	14,006	6,006	6,586
Capital outlay:					
NE STP	80,000	80,000	-	(80,000)	-
Plant Improvements	260,000	260,000	39,060	(220,940)	-
Vehicles and equipment	1,000	1,000	250	(750)	-
Other expenses:					
IEPA/NPDES fees	75,000	75,000	30,500	(44,500)	30,500
Miscellaneous expenses	1,000	1,000	1,371	371	-
Total sewer treatment	<u>1,685,921</u>	<u>1,685,921</u>	<u>1,297,704</u>	<u>(388,217)</u>	<u>1,185,420</u>
Depreciation expense	-	-	899,318	899,318	812,359
Provision for Contingencies	<u>100,000</u>	<u>100,000</u>	-	<u>(100,000)</u>	-
Total expenses	<u>9,645,745</u>	<u>9,662,650</u>	<u>5,537,161</u>	<u>(4,125,489)</u>	<u>4,886,270</u>
Transfers:					
To Revenue Bond & Interest	539,260	539,260	539,000	(260)	538,583
To TIF	1,000,000	1,000,000	1,000,000	-	-
To Capital Improvements	10,000	10,000	10,000	-	10,000
Total transfers	<u>1,549,260</u>	<u>1,549,260</u>	<u>1,549,000</u>	<u>(260)</u>	<u>548,583</u>
Total Operations & Maintenance	<u>\$ 11,195,005</u>	<u>11,211,910</u>	<u>7,086,161</u>	<u>(4,125,749)</u>	<u>5,434,853</u>
Summary by Function:					
Operating expenses:					
Personal services	\$ 1,676,508	1,693,413	1,562,955	(130,458)	1,509,287
Contractual services	1,256,606	1,256,606	1,336,888	80,282	1,143,515
Commodities	1,023,200	1,023,200	719,258	(303,942)	682,192
Capital outlay	4,633,307	4,633,307	822,959	(3,810,348)	653,986
Depreciation	-	-	899,318	899,318	812,359
Other expenses	1,056,124	1,056,124	195,783	(860,341)	84,931
Total operating expenses	<u>9,645,745</u>	<u>9,662,650</u>	<u>5,537,161</u>	<u>(4,125,489)</u>	<u>4,886,270</u>
Transfers to other accounts	<u>1,549,260</u>	<u>1,549,260</u>	<u>1,549,000</u>	<u>(260)</u>	<u>548,583</u>
Total Operations & Maintenance	<u>\$ 11,195,005</u>	<u>11,211,910</u>	<u>7,086,161</u>	<u>(4,125,749)</u>	<u>5,434,853</u>

SUPPLEMENTAL SECTION (UNAUDITED)

Assessed Valuations, Tax Rates, Tax Extensions and Tax Collections

City of Morris	Tax Year				
	2019	2020	2021	2022	2023
Assessed valuations	\$ 344,806,898	344,712,482	374,047,299	415,770,738	474,062,476
Tax rates:					
General Corporate	0.0904	0.0843	0.10881	0.15275	0.22123
Police Pension	0.3650	0.3784	0.36068	0.32107	0.29455
Municipal Retirement	0.0900	0.0949	0.08437	0.05797	0.05590
Social Security	0.1059	0.0863	0.08295	0.06952	0.05202
Medicare	0.0000	0.0000	0.00000	0.00000	0.02393
Police Protection	0.0218	0.0218	0.02005	0.01804	0.01583
Totals	0.6730	0.6656	0.6569	0.6194	0.6635
Tax extensions:					
General Corporate	\$ 311,602	290,420	407,001	635,090	1,048,768
Police Pension	1,258,407	1,304,323	1,349,114	1,334,915	1,396,351
Municipal Retirement	310,257	327,236	315,584	241,022	265,001
Social Security	365,254	297,521	310,272	289,044	246,607
Medicare	-	-	-	-	113,443
Police Protection	74,996	75,009	74,996	75,005	75,044
Total	2,320,516	2,294,510	2,456,967	2,575,076	3,145,214
Plus: Road & Bridge	65,561	47,019	58,275	62,712	62,527
Total Extensions	\$ 2,386,077	2,341,529	2,515,242	2,637,788	3,207,741
Tax Collections	\$ 2,252,466	2,332,876	2,415,511	2,627,834	-

TIF I:	Tax Year				
	2019	2020	2021	2022	2023
Assessed valuation	\$ 67,494,734	66,992,697	71,515,957	78,744,608	85,818,253
Tax rate	0.67299	0.65200	0.61946	0.61935	0.66346
Tax Extension	\$ 5,295,548	5,272,692	5,530,343	5,999,265	6,662,040
Tax Collections	\$ 5,282,663	5,250,460	5,526,565	5,966,453	-

Marina TIF:	Tax Year				
	2019	2020	2021	2022	2023
Assessed valuation	\$ 210,755	306,582	371,530	467,330	612,880
Tax rate	0.67299	0.65200	0.61946	0.61935	0.66346
Tax Extension	\$ 10,257	24,672	29,456	36,530	48,905
Tax Collections	\$ 15,835	23,109	27,473	36,234	-

TIF III:	Tax Year				
	2019	2020	2021	2022	2023
Assessed valuation	\$ -	-	-	1,546,175	3,476,340
Tax rate	-	-	-	0.61935	0.66346
Tax Extension	\$ -	-	-	112,208	256,680
Tax Collections	\$ -	-	-	112,208	-

OTHER REQUIRED REPORTING



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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance with the Illinois Tax Increment Allocation Redevelopment Act

Honorable Mayor and
Members of the City Council
City of Morris, Illinois

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated November 18, 2024.

We have also audited the City of Morris, Illinois' compliance with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act (Illinois Public Act 85-1142).

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Compliance with laws, regulations, contracts and grants applicable to the City of Morris, Illinois, is the responsibility of the City of Morris, Illinois' management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement we performed tests on the City of Morris, Illinois' compliance with provisions of Subsection (q) of Section 11-74.4-3 of Public Act 85-1142. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

However, the results of our tests disclosed no instances of noncompliance with Section 11-74.4-3 of Public Act 85-1142.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

This report is intended solely for the information and use of the City Council, management, State of Illinois, and others within the City and is not intended to be and should not be used by anyone other than those specified parties.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 18, 2024



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Members of the City Council

City of Morris, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Morris, Illinois, as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise City of Morris, Illinois' basic financial statements and have issued our report thereon dated November 18, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Morris, Illinois' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Morris, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Morris, Illinois' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a significant deficiency. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-01, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Morris, Illinois' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of City of Morris, Illinois, in a separate letter dated November 18, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 18, 2024

SINGLE AUDIT SECTION



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Mayor and Members of the City Council

City of Morris, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Morris, Illinois' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have direct and material effect on each of City of Morris, Illinois' major federal programs for the year ended April 30, 2024. City of Morris, Illinois' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Morris, Illinois, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended April 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Morris, Illinois, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Kendall, Illinois' compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to LaSalle County, Illinois's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Morris, Illinois' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risks of not detecting material noncompliance resulting from fraud is higher than those resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Morris, Illinois' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding LaSalle County, Illinois's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of LaSalle County, Illinois's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of LaSalle County, Illinois's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Morris, Illinois' compliance.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit we did not identify and deficiencies in internal control over compliance that we consider to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mack & Associates, P.C.

Mack & Associates, P.C.
Certified Public Accountants

Morris, Illinois
November 18, 2024

CITY OF MORRIS, ILLINOIS

**Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2024**

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
<u>U.S. Department of Treasury</u>			
Passed through State of Illinois			
American Rescue Plan Act Funds (M)	21.017		\$ 2,048,842
<u>U.S. Department of Transportation</u>			
Airport PAPIs	20.106	IL-PJ-C09-4763-3-17-SBGP-139	18,387
<u>U.S. Executive Office of the President</u>			
Bullet Proof Vests	16.607		2,937
Total Expenditures of Federal Awards			\$ 2,070,166

(M) Denoted as Major Program

CITY OF MORRIS, ILLINOIS

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal grants of City of Morris, Illinois, under programs of the federal government for the year ended April 30, 2024. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies are included on the schedule. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit requirements of Federal Awards. Because the schedule presents only a selected portion of the operations of City of Morris, Illinois, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Morris, Illinois.

The City of Morris reporting entity is defined in the Summary of Significant Accounting Policies (Note 1) of the City's basic financial statements.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 2: INDIRECT FACILITIES & ADMINISTRATION COSTS

City of Morris, Illinois elected not to use the 10% de minimis cost rate.

NOTE 3: SUB-RECIPIENT PAYMENTS

City of Morris, Illinois provided no awards to sub-recipients during the fiscal year ended April 30, 2024.

NOTE 4: OTHER DISCLOSURES

The City did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees.

CITY OF MORRIS, ILLINOIS

Summary of Findings and Questioned Costs For the Year Ended April 30, 2024

A. SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unmodified opinion on the financial statements of City of Morris, Illinois.
2. There is one material weakness and no significant deficiencies relating to the audit of the City's financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Morris, Illinois were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and On Internal Control over Compliance Required by the Uniform Guidance.
5. The Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance for the City of Morris, Illinois expresses an unmodified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for the City of Morris, Illinois are reported in Part B of this Schedule.
7. The major program tested was the American Rescue Plan Act Funds - CFDA #20.017.
8. Total federal expenditures for the fiscal year ended April 30, 2024 were \$2,070,166, and major programs tested represented 98.97% of that total.
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. City of Morris, Illinois was not determined to be a low-risk auditee.

B. FINDINGS AND QUESTIONED COSTS – MAJOR PROGRAMS

None reported.

Summary of Findings and Questioned Costs
For the Year Ended April 30, 2024

C. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT

2024-01: Financial Statement Preparation and Significant Audit Adjustments

Condition:

The City does not prepare its annual financial statements and related footnote disclosures, and has engaged the auditors to assist in this preparation. Significant audit adjustments were required to present the financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Criteria:

Management is responsible for the preparation and fair presentation of the financial statements, including the related disclosures, in conformity with GAAP.

Cause:

The City maintains its internal financial records on the cash basis. While management does prepare some cash-to-accrual entries, including accounts payable and accrued wages, the audit firm is still relied upon to make any remaining adjustments to the trial balances, as well as to prepare the financial statements and related footnote disclosures. Those adjustments included:

- Entries to reverse prior year receivables and correct prior year receivables
- Entries to record capital asset additions and depreciation for business-type activities
- Adjustments to record property tax receivables and deferred property taxes
- Adjustments to record state tax receivables and revenues
- Entries to adjust compensated absences
- Entries to record line of credit proceeds and adjust other debt service activity

Effect:

The completeness of the financial statement disclosures and the accuracy of the overall financial statement presentation is negatively impacted as external auditors do not have the same comprehensive understanding of the City as its internal staff.

Recommendation:

The City should continue to review and approve the annual financial statements and the related footnote disclosures. The City should also designate an individual who is responsible for preparing cash-to-accrual financial statement adjustments and footnote supporting schedules to the auditors.

Management's Response:

We agree with the finding and will consider the costs and benefits of implementing the recommendations. During fiscal year ended April 30, 2024, the City partially implemented this recommendation and had prepared the year end accruals for accounts receivable, accounts payable and accrued wages. The City will book the April 30, 2024 audit journal entries provided and work towards preparing the remaining accruals in fiscal year 2025.

CITY OF MORRIS, ILLINOIS

**Summary of Prior Audit Findings
For the Year Ended April 30, 2024**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None reported.